



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2023 AND 2022**

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 28, 2023

LITE ACCESS TECHNOLOGIES INC.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2023 and September 30, 2022
(in Canadian dollars)

		June 30 2023	September 30 2022
	Notes	\$	\$
Assets			
Current			
Cash and cash equivalents		554,212	239,105
Amounts receivable		1,377,130	2,372,163
Prepaid expenses and deposits		26,301	6,000
Contract assets	9	92,982	35,550
Inventory	4	151,081	96,356
		2,201,706	2,749,174
Long-Term			
Property, plant and equipment	5	806,494	860,637
Total Assets		3,008,200	3,609,811
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		415,420	782,477
Due to related parties	12	1,638,647	1,720,989
Revolving credit facility	7	-	310,059
Current portion of long-term debt	6	-	4,734
Current portion of lease liabilities	8	76,141	52,099
		2,130,208	2,870,358
Long-Term Liabilities			
Long-term debt	6	566,790	80,000
Lease liabilities	8	111,434	61,303
Total Liabilities		2,808,432	3,011,661
Shareholders' Equity			
Share capital	10	38,810,281	38,276,786
Reserves	11	5,888,612	5,744,810
Deficit		(44,499,125)	(43,423,446)
Total Shareholders' Equity		199,768	598,150
Total Liabilities and Shareholders' Equity		3,008,200	3,609,811
Going concern (Note 1)			
Merger and acquisition (Note 15)			

Approved by the Board of Directors:

"David Toyoda"
David Toyoda, Director

"Mike Plotnikoff"
Mike Plotnikoff, 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, 2023 and 2022

(in Canadian dollars, except for the number of shares)

		Three Months Ended		Nine Months Ended	
		Three Months	June 30, 2022	Nine Months	June 30, 2022
		Ended June 30,	(As reclassified	Ended June 30,	(As reclassified
		2023	Note 3)	2023	Note 3)
Note		\$	\$	\$	\$
Revenue	9	720,437	1,395,713	4,106,741	3,103,141
Cost of Revenue					
Purchases and subcontractor costs		559,262	1,219,639	3,170,626	2,745,712
Direct wages		52,958	131,731	227,630	326,384
Vehicle and travel		33,962	110,936	140,417	250,405
Amortization	5	42,730	38,686	133,251	116,059
Freight		-	46,747	4,388	57,813
Rentals		7,182	15,825	12,491	26,141
		696,094	1,563,564	3,688,803	3,522,514
Gross Margin		24,343	(167,851)	417,938	(419,373)
Operating Expenses					
Amortization	5	21,436	3,135	48,940	8,709
Insurance		25,750	51,379	58,284	146,587
Listing and filing fees		3,314	3,632	40,824	29,408
Office and supplies		24,205	34,587	77,037	78,756
Professional fees		54,949	81,540	141,574	210,268
Rental		9,117	3,006	46,663	65,789
Repairs and maintenance		7,359	1,546	9,923	7,850
Share-based payments	11	39,014	73,774	124,995	259,561
Training		4,563	-	8,394	-
Travel and trade shows		27,263	12,202	62,736	43,376
Wages and consulting	12	288,824	258,002	804,309	871,704
Cooperation fees	12	-	-	24,718	-
		505,794	522,803	1,448,397	1,722,008
(Loss) from continuing operations		(481,451)	(690,654)	(1,030,459)	(2,141,381)
Other Income (Expenses)					
Interest income		2,253	368	6,076	895
Interest expense		(19,956)	(3,330)	(52,586)	(14,764)
Accreted interest		(2,301)	-	(5,597)	-
Gain (loss) on disposal of fixed assets		-	-	8,412	(27,258)
Foreign exchange gain (loss)		(871)	(119)	(1,525)	(1,340)
		(20,875)	(3,081)	(45,220)	(42,467)
Loss from operation before taxes and discontinued operations		(502,326)	(693,735)	(1,075,679)	(2,183,848)
Net income (loss) from discontinued operations	3	-	18,108	-	(268,438)
Net comprehensive (loss)		(502,326)	(675,627)	(1,075,679)	(2,452,286)
(Loss) per Common Share-Continuing operations - Basic/Diluted		(0.01)	(0.01)	(0.01)	(0.03)
(Loss) per Common Share-Discontinued operations - Basic/Diluted		-	0.00	-	(0.00)
Weighted Average Number of Shares Outstanding - Basic/Diluted		85,892,538	72,587,098	83,749,241	67,119,488

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****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)*

	Number of shares	Share capital \$	Option/RSU reserve \$	Warrant reserve and conversion feature \$	Deficit \$	Total \$
Balance at September 30, 2022	74,852,538	38,276,786	4,431,729	1,313,081	(43,423,446)	598,150
Shares issued per private placement	11,040,000	552,000	-	-	-	552,000
Convertible debenture conversion feature	-	-	-	18,807	-	18,807
Share issue costs paid	-	(18,505)	-	-	-	(18,505)
Share-based payments	-	-	124,995	-	-	124,995
Loss from continuing operations	-	-	-	-	(1,075,679)	(1,075,679)
Balance at June 30, 2023	85,892,538	38,810,281	4,556,724	1,331,888	(44,499,125)	199,768
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
Loss from continuing operations	-	-	-	-	(2,183,848)	(2,183,848)
Loss from discontinued operations (Note 3)	-	-	-	-	(268,438)	(268,438)
Balance at June 30, 2022	72,587,098	38,120,743	4,653,816	1,296,491	(43,014,269)	1,056,781

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, 2023 and 2022
(in Canadian dollars)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022 (As reclassified Note 3)	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022 (As reclassified Note 3)
Note	\$	\$	\$	\$
Cash Flows Provided (Used) by Operating Activities				
Net loss for the period from continuing operations	(502,326)	(693,735)	(1,075,679)	(2,183,848)
Items not effecting cash				
Foreign exchange (gain)	871	119	1,525	1,340
Share-based payments	39,014	73,774	124,995	259,561
Amortization	64,166	41,821	182,191	124,768
Accreted interest	2,301	-	5,597	-
Loss (gain) on disposal of property, plant and equipment	-	-	(8,412)	27,258
Changes in non-cash working capital balances				
Amounts receivable	324,911	(1,356,792)	995,033	(715,011)
Prepaid expenses and deposits	1,000	-	(20,301)	(8,565)
Contract assets	343,450	204,537	(57,432)	(19,320)
Inventory	13,575	(242,108)	(54,725)	(335,878)
Accounts payable and accrued liabilities	(313,369)	1,109,154	(367,058)	831,875
Due to related parties	20,568	-	(82,342)	-
Total Cash Flows Provided (Used) by Operating Activities	(5,839)	(863,232)	(356,608)	(2,017,820)
Cash Flows Provided (Used) by Investing Activities				
Proceeds from disposal of property, plant and equipment	10,000	-	10,000	29,845
Purchase of property, plant and equipment	-	(1,396)	(1,378)	(2,787)
Total Cash Flows Provided (Used) by Investing Activities	10,000	(1,396)	8,622	27,058
Cash Flows Provided (Used) by Financing Activities				
Long-term debt repayments	-	(7,148)	(4,733)	(26,118)
Revolving credit facility	-	420,000	(310,059)	420,000
Lease repayments	(10,530)	(34,291)	(54,085)	(111,728)
Proceeds from convertible debenture	-	-	500,000	-
Proceeds from private placement	-	-	552,000	835,501
Share issuance costs	-	-	(18,505)	(57,535)
Total Cash Flows Provided by Financing Activities	(10,530)	378,561	664,618	1,060,120
Foreign Exchange on Cash and Cash Equivalents	(871)	(5,832)	(1,525)	(434)
Net Increase (decrease) in cash from continuing operations	(7,240)	(491,898)	315,107	(931,076)
Net increase (decrease) in cash from discontinued operations	-	337,565	-	865,565
Change in Cash and Cash Equivalents	(7,240)	(154,333)	315,107	(65,511)
Cash and Cash Equivalents, Beginning of period	561,452	716,600	239,105	627,778
Cash and Cash Equivalents, End of period	554,212	562,267	554,212	562,267

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, 2023 and 2022

(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 110 – 6039 196 Street, Surrey, British Columbia, Canada, V3S 7X4, and its registered and records office is located at 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

These 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, 2023, the Company had a working capital of \$71,498 and an accumulated deficit of \$44,499,125. 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 to 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, 2022.

The Company’s management makes judgments in its process of applying the Company’s accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company’s management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are

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

accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended September 30, 2022.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 28, 2023.

Basis of Presentation

These unaudited consolidated financial statements have been prepared on a historical cost basis. In addition, these unaudited condensed interim 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, 2022. 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, 2022.

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	
			2023	2022
Lite Access Technologies (Canada) Inc.	Canada	Canadian Dollar	100%	100%
Lite Access Technologies (USA) Inc.	United States	U.S. Dollar	100%	100%

3. DISCONTINUED OPERATION

Discontinued UK Operation

As described in Note 6 of annual financial statements for the year ended September 30, 2022, the Company lost control over the UK business as of January 26, 2021 once the administrator was officially appointed and the LAT UK financial results were classified as a discontinued operation. During the liquidation process in fiscal 2021, the administrator estimated a total dividend of £624,000 to be distributed. By the end of quarter ended June 30, 2022, all the liquidation process was completed and the Company received the total distribution of \$865,565 (£516,000). The final distribution received was \$117,295 (£58,000) lower than the original estimation due to the additional legal expenses incurred to complete the process.

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2023 and 2022

(in Canadian dollars)

3. DISCONTINUED OPERATION (CONTINUED)

Sale of AMEC

As described in Note 6 of annual financial statements for the year ended September 30, 2022, the Company sold all of the shares of AMEC to its former owner Tony Curkovic on June 10, 2022. As the Company no longer controlled AMEC, its assets and liabilities were deconsolidated from the consolidated statement of financial position and financial results were reclassified as discontinued operation as at June 10, 2022. The net loss for the nine months ended June 30, 2022 was reclassified as discontinued operation as follows:

	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Revenue	\$ -	\$ 1,578,975
Cost of sales	-	(1,441,956)
Operating expenses	-	(632,729)
Operating loss from discontinued operation	-	(495,710)
Gain on the sale of subsidiary	-	344,567
Net (loss) from discontinued operation	\$ -	\$ (151,143)

Net cash flow from the discontinued operations are as follows:

	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Net cash provided by operating activities	\$ -	\$ 259,964
Net cash provided (used) by investing activities	-	129,140
Net cash used by financing activities	-	(389,104)
	\$ -	\$ -

4. INVENTORY

	June 30, 2023	September 30, 2022
	\$	\$
Opening inventory	\$ 96,356	\$ 372,570
Purchases	668,925	795,398
Cost of goods sold	(614,200)	(976,716)
Disposals from discontinued operations	-	(94,896)
Closing inventory	\$ 151,081	\$ 96,356

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

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)***5. PROPERTY, PLANT AND EQUIPMENT**

	Computer Equipment \$	Construction Equipment \$	Automotive equipment \$	Right-of-Use Assets \$	Total \$
Cost					
At September 30, 2022	5,698	1,526,261	1,010,069	131,150	2,673,178
Additions	1,377	-	-	159,030	160,407
Disposals				(48,552)	(48,552)
At June 30, 2023	7,075	1,526,261	1,010,069	241,628	2,785,033
Accumulated amortization					
At September 30, 2022	1,003	807,292	975,091	29,155	1,812,541
Additions	5,010	95,087	23,931	58,163	182,191
Disposals				(16,193)	(16,193)
At June 30, 2023	6,013	902,379	999,022	71,125	1,978,539
Net book value June 30, 2023	1,062	623,882	11,047	170,503	806,494
Net book value September 30, 2022	4,695	718,969	34,978	101,995	860,637

6. LONG-TERM DEBT

	June 30, 2023 \$	September 30, 2022 \$
Long-term debt	566,790	84,734
Less current portion	-	(4,734)
Long-term portion	566,790	80,000

On November 22, 2022 (the "Issue Date"), the Company closed a non-brokered private placement financing with gross proceeds of \$1,052,000 (the "Offering"). The Offering consisted of secured convertible debentures in the principal amount of \$500,000 and 11,040,000 common shares at \$0.05 per share for gross proceeds of \$552,000 (Note 10).

The debentures are secured under a general security agreement and mature on November 22, 2024. The debentures bear a fixed interest rate of 12% per annum, payable monthly commencing December 22, 2022. At the holder's option, the debentures will be convertible into common shares of the Company at a conversion ratio of \$0.07 per common share if converted from the issue date to the last day of the first anniversary, and \$0.10 if converted from the first day of the second anniversary to the maturity date.

At initial recognition, the convertible debenture proceeds of \$500,000 were allocated into its debt and equity components using the residual value method. The fair value of the debt portion was estimated at \$481,193 using a discounted cash flow with an effective interest rate of 15%. The remainder of the proceeds was allocated to the equity component. The financial liability is measured on an amortized cost.

Long-term debt also includes Canada Emergency Business Account ("CEBA") loan of \$80,000, which was received in 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.

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)***7. CREDIT FACILITIES**

The Company had a \$500,000 revolving demand credit facility at Royal Bank of Canada (“RBC”) with interest rate of prime + 2.60%. During the three months ended March 31, 2023, RBC conducted the annual review and reduced the operating line to \$100,000. The Company fully paid back the drawdown of \$310,059 in November 2022. As at June 30, 2022, the balance of the credit facility was \$nil (September 30, 2022: \$310,059).

8. LEASE LIABILITIES

	June 30, 2023	September 30, 2022
	\$	\$
Lease liabilities opening balance	113,402	947,296
Addition	159,030	131,698
Disposal	(30,772)	(39,979)
Disposal from discontinued operations	-	(479,461)
Payments	(78,514)	(475,639)
Interest	24,429	29,487
Lease liabilities ending balance	187,575	113,402
Less current portion	(76,141)	(52,099)
Long-term portion	111,434	61,303

During the three and nine months ended June 30, 2023, the Company recognized right-of-use assets \$159,030 and corresponding lease liabilities with the incremental borrowing rate of 12%.

The following table presents a reconciliation of the Company’s undiscounted cash flows at June 30, 2023 and September 30, 2022 to their present values for the Company’s lease obligations

	June 30, 2023	September 30, 2022
	\$	\$
Within one year	91,986	54,852
Between one and five years	120,018	63,489
Total undiscounted lease obligations	212,004	118,341
Less: future interest charges	(24,429)	(4,939)
Total discounted lease obligations	187,575	113,402
Less: current portion	(76,141)	(52,099)
Long-term portion	111,434	61,303

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, 2023 and 2022:

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)***9. REVENUE (CONTINUED)**

	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
Product sales	655,224	26,511
Installation service - fixed price	3,094,913	2,734,408
Installation service - cost plus	356,604	342,222
	4,106,741	3,103,141

Contract assets and liabilities

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

	June 30, 2023		September 30, 2022	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
	\$	\$	\$	\$
Balance, beginning of the period	35,550	-	285,800	5,910
Transfer from contract assets at the beginning of the year to accounts receivable	(35,550)	-	(285,800)	(5,910)
Net additions to contract assets/liabilities during the period	92,982	-	35,550	-
Balance, end of the period	92,982	-	35,550	-

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

10. SHARE CAPITAL**Authorized share capital**

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

During the first quarter of fiscal 2023, the Company closed a non-brokered private placement financing with gross proceeds of \$1,052,000. The Offering consisted of secured convertible debentures in the principal amount of \$500,000 and 11,040,000 common shares at \$0.05 per share for gross proceeds of \$552,000 (Note 6). The securities issued under the Offering were subject to restrictions on resale expired on March 23, 2023.

As at June 30, 2023, the Company had 85,892,538 common shares (September 30, 2022: 74,852,538) issued and outstanding.

Warrants

There has been no change in warrants during the three and nine months ended June 30, 2023. The following is a summary of outstanding as at the end of third quarter:

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)***10. SHARE CAPITAL (CONTINUED)**

Grant Date	Expiry Date	Exercise Price (\$)	Opening Balance	Granted	Expired/ Forfeited/ Cancelled	Closing Balance	Vested and Exercisable
3/25/2022	3/25/2024	0.15	8,929,350	-	-	8,929,350	8,929,350
			8,929,350	-	-	8,929,350	8,929,350
Weighted Average Exercise Price			\$ 0.15	\$ -	\$ -	\$ 0.15	\$ 0.15

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

11. RESERVES**Stock option**

The Company has a rolling 10% stock option plan (the “Stock Option 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 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 five years from the date that such options are granted.

On February 3, 2023, 850,000 options were granted to certain director and officer under this plan. The options are vested immediately and exercisable at \$0.10 per share for a period of five years from the date of grant.

During the three and nine months ended June 30, 2023, the Company recognized a share-based compensation expense of \$Nil and \$61,973 (Three and nine months ended June 30, 2022: \$73,774 and \$259,561) related to stock options. The weighted average life remaining of stock options as at June 30, 2023 is 3.98 years (September 30, 2022: 4.65 years).

The following is a summary of changes in options from October 1, 2022 to June 30, 2023:

LITE ACCESS TECHNOLOGIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended June 30, 2023 and 2022***(in Canadian dollars)***11. RESERVES (CONTINUED)**

Grant date	Expiry date	Exercise price (\$)	Opening balance	Granted	Expired/ Cancelled/ Forfeited	Closing balance	Vested and exercisable	Unvested
2019-11-19	2024-11-19	0.30	50,000	-	-	50,000	50,000	-
2020-06-02	2025-06-02	0.82	375,000	-	-	375,000	375,000	-
2021-04-01	2026-04-01	0.30	30,000	-	-	30,000	30,000	-
2021-04-01	2026-04-01	0.29	115,000	-	-	115,000	115,000	-
2022-07-29	2027-07-29	0.10	5,595,000	-	(50,000)	5,545,000	5,545,000	-
2023-02-03	2028-02-03	0.10	-	850,000	-	850,000	850,000	-
			6,165,000	850,000	(50,000)	6,965,000	6,965,000	-
Weighted average exercise price			\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.14	\$ 0.14	-

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

Restricted share units

On February 3, 2023, the Company adopted a securities-based compensation plan (the "SBC Plan") approved by the AGM 2022.

The SBC Plan permits the grant of Restricted Share Units (as defined in the SBC Plan "RSU") and Deferred Share Units (as defined in the SBC Plan "DSU", RSU and DSU collectively referred as "Awards"). The maximum number of Awards that may be granted under the SBC Plan is fixed at 8,589,253, which is equal to 10% of the issued and outstanding shares. Stock options granted under the Stock Option Plan shall not be included in the maximum numbers of shares issuable pursuant to this plan. Further, the maximum number of shares for which Awards and other share compensation issuable to: (i) any participant shall not exceed 5% of the outstanding shares within any one year period, (ii) a consultant shall not exceed 2% of the outstanding shares within any one year period; and (iii) insiders as a group shall not exceed 10% of the outstanding shares. No persons providing investor relations activities may be granted Awards under the SBC Plan. The Company, at its discretion, may settle RSUs through the issuance of common shares from treasury or cash.

Under this new SBC Plan, the Company granted 3,250,000 RSUs to certain officers, directors and consultants of the Company on February 3, 2023. Upon vesting, each RSU will entitle the holder to receive one common share of the Company. The RSUs will vest annually in two to three years from the date of grant in accordance with the terms of each party's RSU agreement.

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11. RESERVES (CONTINUED)

The following table summarizes information about RSUs outstanding as at June 30, 2023:

Grant date	Expiry date	issue date fair value	Opening balance	Granted	Cancelled or Forfeited	Closing balance	Vested and exercisable	Unvested
2023-02-03	2028-02-03	\$ 0.06	-	1,450,000	-	1,450,000	-	1,450,000
2023-02-03	2028-02-03	\$ 0.06	-	1,400,000	-	1,400,000	-	1,400,000
2023-02-03	2028-02-03	\$ 0.06	-	400,000	-	400,000	-	400,000
			-	3,250,000	-	3,250,000	-	3,250,000

The fair value of RSUs is calculated at the date of grant using the market price of the common shares and the fair value is recorded as compensation expense over the vesting period of the RSU with an offsetting credit to reserves. For the three and nine months ended June 30, 2023, the Company recorded stock-based compensation expense of \$39,014 and \$63,022 related to RSUs granted. The weighted average life remaining of RSUs as at June 30, 2023 was 4.6 years.

12. RELATED PARTY TRANSACTIONS

During the three and nine months ended June 30, 2023 and 2022, the Company entered into related party transactions or held balances with the following individuals and corporations:

David Toyoda	Director
Michael Plotnikoff	CEO and Director
Linda Han	CFO
Mark Tommasi	Director
622738 BC Ltd.	Company controlled by Mark Tommasi
Michael Irmen	Director
Ironman Directional Drilling Ltd.	Company controlled by Michael Irmen
Alex McAulay	Director
Greg Smith	Former Interim CEO and Director
Kevin Smith	Former Director
Daniel Nanson	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.

LITE ACCESS TECHNOLOGIES INC.

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12. RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Compensation

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
	\$	\$	\$	\$
Short-term employee benefits and director fees (in wages and consulting)	98,014	90,086	275,006	282,232
Share-based payments	13,202	66,510	73,731	157,366
Total	111,216	156,596	348,737	439,598

Other Related Party Transactions

(a) Cooperation Agreement with Ironman

As disclosed in Note 16 of the annual financial statements for the year ended September 30, 2022, the Company signed a cooperation agreement with Ironman Direction Drilling Ltd (“Ironman”) on July 26, 2022. Pursuant to the agreement, Lite Access and Ironman will jointly provide their specialized fibre installation and directional drilling services on new fibre optic network projects.

During the three and nine months ended June 30, 2023, Ironman provided the construction services for multiple Lite Access projects and a total amount of \$2,093,253 was billed to Lite Access. As at June 30, 2023, the amount of \$1,167,284 was outstanding (September 30, 2022: \$1,321,546). In addition, the cooperation fees of \$400,000 have been fully earned from the cooperation projects completed. No cooperation fees were paid as at June 30, 2023. The full amount \$420,000 (inclusive of GST) was reported under the related party payable.

(b) Private Placement

On November 22, 2022, the Company closed a non-brokered private placement with gross proceeds of \$1,052,000. The offering consisted of secured convertible debenture of \$500,000 and 11,040,000 common shares at \$0.05 per share for gross proceeds of \$552,000.

Under the debenture offering, the debentures are secured under a general security agreement and due two years from the date of issue. The debenture bears a fixed interest rate of 12% per annum payable monthly. The debentures will be convertible into common shares of the Company at a conversion ratio of \$0.07 per common share if converted from the issue date to the last day of the first anniversary, and \$0.10 if converted from the first day of the second anniversary to the maturity date.

Insiders subscribed for a total of 1,000,000 common shares for aggregate gross proceeds of \$50,000, and convertible debentures in the principal amount of \$250,000. The issuance of common shares and convertible debentures to insiders are considered related party transactions. The securities issued under the offering were subject to four months of restrictions on resale expired March 23, 2023. The proceeds were used to fund working capital needs and growth initiatives.

LITE ACCESS TECHNOLOGIES INC.
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13. SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada. The Company has two reporting segments: sale of product and fibre optic installations. The Company reports activities not directly attributable to an operating segment under Corporate.

As at June 30, 2023	Product	Fibre optic installation	Corporate	Total
Total assets	156,072	2,551,101	301,027	3,008,200
Total liabilities	64,827	2,216,815	526,790	2,808,432
As at September 30, 2022	Product	Fibre optic installation	Corporate	Total
Total assets	4,748	3,495,669	109,394	3,609,811
Total liabilities	-	2,971,661	40,000	3,011,661
For Nine Months Ended June 30, 2023	Product	Fibre optic installation	Corporate	Total
Revenue	655,224	3,451,517	-	4,106,741
Net income (loss) from continuing operation	144,404	(514,127)	(705,956)	(1,075,679)
For Nine Months Ended June 30, 2022	Product	Fibre optic installation	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)

The Company's revenues are allocated to geographic segments for the nine months June 30, 2023 and 2022 as follows:

	Nine Months Ended June 30, 2023	Nine Months Ended June 30, 2022
	\$	\$
Canada	4,081,819	3,076,630
United States	24,922	26,511
	4,106,741	3,103,141

14. FINANCIAL INSTRUMENTS

The Company's financial instruments include: cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, due to related parties, revolving credit facility, long-term debt and lease liabilities. 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 \$1,377,130 accounts receivable was reported as at June 30, 2023 and the amount of \$763,490 are past due. Of this amount, a total of \$400,536 was past due over 90 days.

14. FINANCIAL INSTRUMENTS (CONTINUED)

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 financial resources to meet its short-term business requirements for the foreseeable future. As at June 30, 2023, the Company had a working capital of \$71,498 (September 30, 2022: deficit of \$121,184). During the first quarter of 2023, the Company closed a private placement with total proceeds of \$1,052,000. The proceeds were used to fund working capital needs and growth initiatives.

To mitigate liquidity risk, the Company will look to maintain a positive working capital, generate positive cash flow from operation, raise capital through equity and debt financing.

The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver 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. 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 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 three and nine months ended June 30, 2023, 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 \$6,190 higher or lower respectively.

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

	June 30, 2023	September 30, 2022
	\$	\$
Cash and cash equivalents	42,005	63,566
Accounts receivables	4,748	4,748

(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 three and nine months ended June 30, 2023, the Company does not expect interest rate risk to have a significant impact on the net earnings or comprehensive income.

LITE ACCESS TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended June 30, 2023 and 2022

(in Canadian dollars)

15. MERGER AND ACQUISITION

On May 3, 2023, the Company entered a non-binding letter of intent to acquire 1097195 B.C. Ltd. ("Ironman") and its wholly-owned subsidiary, Ironman Directional Drilling Ltd., an experienced provider of directional drilling (the "Transaction").

Established in 1999, Ironman Directional Drilling is a recognized leader in the trenchless industry offering 24/7 horizontal directional drilling services for homeowners, businesses, and industrial clients throughout Western Canada. Focused on delivering the most cost-effective and least invasive means of underground infrastructure installations, Ironman offers a wide range of applications including telecom, electrical, water and sewer, oil, and gas, geothermal, irrigation and more. Possessing specialized machinery and an experienced team, Ironman excels in any type of terrain including lakes, rivers and ocean crossings, railways, roads, and highways as well as offers additional services to ensure on-time and on-budget project delivery.

As Mike Irmen, who is a shareholder of Ironman, is also a director of Lite Access, the Transaction will constitute a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Accordingly, the Transaction will be subject to the approval of the shareholders of Lite Access, excluding any votes attached to shares beneficially owned by Mr. Irmen.

Key Terms of the Transaction

Lite Access and Ironman have agreed to negotiate and settle the terms of a share exchange agreement (the "Definitive Agreement") whereby Lite Access will acquire all of the issued and outstanding shares of Ironman. In consideration, Lite Access will:

- issue 85,392,538 shares of the Company (the "Consideration Shares") to the shareholders of Ironman (the "Ironman Shareholders");
- pay \$6,000,000 in cash (the "Cash Consideration") to the Ironman Shareholders, which will be payable in five equal installments of \$1,200,000 commencing twelve months from the closing date and continuing every 12 months thereafter over a period of 60 months.

The Ironman Shareholders will enter into an escrow agreement whereby all the Consideration Shares will be under lock up and be released three years from closing of the Transaction. The parties agreed that this escrow release schedule will be amended to a TSXV Tier 2 value escrow release if there is a change in life condition of an Ironman Shareholder.

Neither Lite Access nor Ironman will pay a finder's fee in connection with the Transaction. A customary break fee will be payable to a non-breaching party subject to a limit of \$250,000.

The parties are currently conducting their respective due diligence with the help of their legal and financial advisors. Completion of the Transaction is subject to entry into the Definitive Agreement, completion of due diligence of the parties, approval of the TSX Venture Exchange and shareholders of Lite Access and such other customary conditions as will be set forth in the Definitive Agreement.