



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2023 AND 2022**

LITE ACCESS TECHNOLOGIES INC.

Management's Discussion and Analysis

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

Expressed in Canadian Dollars

INTRODUCTION

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated August 28, 2023, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2023 and 2022 (the "interim financial statements") and other corporate filings of the Company, including the Company's audited consolidated financial statements for the year ended September 30, 2022. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The unaudited consolidated interim financial statements of the Company for the three and nine months ended June 30, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

FORWARD-LOOKING INFORMATION, DEFINITIONS AND RISKS NOTICE

This management's discussion and analysis is a review of the Company's financial performance and financial condition as at and for the three and nine months ended June 30, 2023 and plans based on facts and circumstances as of August 28, 2023. When we discuss our costs and timing of current and proposed operations, working capital requirements, the requirement for additional capital, future prices, future accounting changes or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* under Canadian securities laws.

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

It is also subject to risks associated with our business, including but not limited to: risks inherent in the fibre optic business, ability to fulfill any contract awards or to be retained for the full value of a contract award, requirements for additional capital, government regulations, reliance on key personnel, rapid technology changes, competition, lack of demand, equipment failures, environmental risks, protection of intellectual property rights, and the timing and possible outcome of pending litigation and other risks that are set out below.

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

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

EBITDA does not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that EBITDA is not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Lite Access' EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Lite Access posted on SEDAR (www.sedar.com).

COMPANY OVERVIEW

Lite Access is a leader in the use of innovative and proven micro/narrow trenching technologies, alternate methods of deployment and specialist products which transform the cost of fibre optic network deployment for telecommunications operators. As part of its suite of services, Lite Access provides customers with integrated solutions or select components for the design and implementation of fibre optic networks. Lite Access' installation technology and proprietary products extend a network provider's ability to deliver true broadband connectivity directly to end-users, such as homes, government and educational institutions, and emergency response facilities. Lite Access remains flexible and innovative in its commitment to provide global clients and partners with the most cost effective and proven fibre connectivity solutions available.

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

Lite Access was incorporated on October 20, 2003, under the Business Corporations Act (British Columbia). The head office is located at 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.

COMPANY DEVELOPMENT AND OUTLOOK

Canadian Operations

The Canadian market and business conditions continue to improve and provide a real, sustainable opportunity for the Company's growth. The telecom infrastructure industry is expected to undergo exponential growth to meet the consumer demand for high-speed internet access. With the increased execution capabilities and operational improvement, the Company is well-positioned to seize the growth opportunities to deliver more infrastructure projects, diversify the client base and expand the presence in Western Canada and other regions.

The recent economic conditions have significantly impacted the industry, including the supply chain disruption, labor shortage and inflation related to labor and material. Many telecom contractors are experiencing revenue reduction as the big telecommunication businesses are focused on streamlining their operations. Higher costs for materials and labor caused by high inflation and soaring interest rates have resulted in projects being put on hold or execution delayed.

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Although these factors impacted most projects to some extent, the Company did respond to numerous bids presented and supported the clients with ongoing needs and requests.

Saddle Lake, Alberta

In August 2022, The Company, and Rigstar Industrial Telecom (Rigstar) were awarded a fibre build contract from the Saddle Lake Cree Nation located in the Onihcikiskwapowin region of central Alberta. The project is to upgrade the existing internet and extend cellular infrastructure to the Saddle Lake Cree First Nation, which will improve the resilience of the broadband and cellular connectivity throughout the community. The project is valued \$1.5 million and funded under the Investing in Canada Infrastructure Program, Indigenous Services Canada, and Saddle Lake Cree Nation. The Company started the construction in the fourth quarter of fiscal 2022 and substantial completion was achieved in October 2022.

Ktunaxa, British Columbia

In October 2022, the Ktunaxa Nation Council awarded the second phase of a Fibre-to-the-Home (FTTH) construction project to the Company, valued at approximately \$805,000. This contract was awarded after the Company successfully completed the first phase of a Fibre-to-the-Home (FTTH) construction project at the First Nation community last year. The first phase was to design, supply and installation of the fibre build connecting all community band office, health centre, recreation centre and service drops for all the homes and lots on subdivision road.

The second phase of the project is to build an additional 17 kilometers of an in-ground backbone network, multiple highway road crossings, connectivity to a wireless tower via aerial as well as the installation of additional 37 service drops to the Akisq̓nuk First Nations homes. The Company started the construction in November 2022 and completed 90% of the project scope by the end of third quarter. The project completion was postponed due to the delay of government funding. The Company is expected to complete the remaining work in fourth quarter of 2023 when the funding is released.

Comox, British Columbia

During the first quarter of fiscal 2023, the Company was awarded a fiber build contract with Comox Valley Regional District with total contract value of \$440,000. The contract is to install an underground fiber optic cable with total distance of approximately 3.5 kilometers. The construction started in November 2022 and was completed in March 2023 as planned. In the second quarter, the Company was awarded multiple projects with total contract value of \$1.2 million. By the end of third quarter, 90% of the contract value has been completed and the remaining work is expected to be completed in next quarter.

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.

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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 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.

Financing Update

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 debentures of \$500,000 and 11,040,000 common shares at \$0.05 per share for gross proceeds of \$552,000. 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. 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. The proceeds were used to fund 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 to continue 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.

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FINANCIAL PERFORMANCE

Operating results for the three months ended June 30, 2023 and 2022

Total revenue was \$720,437, representing 48% decrease from the same quarter of last year. Gross profit improved to 3% from negative 12% reported a year ago. Operating expenses of \$505,794 were reported, down 3% from \$522,803 reported a year ago. Net loss from continuing operation decreased 28% to \$502,326 from \$693,735 reported a year ago. Certain prior period comparative figures have been reclassified to conform with the current year's presentation.

Significant variances include:

| | Three Months Ended June 30 | | Variance |
|---------|----------------------------|-----------|-----------|
| | 2023 | 2022 | |
| Revenue | 720,437 | 1,395,713 | (675,276) |

Revenue for the three months ended June 30, 2023 was \$720,437, down \$675,276 from the amount reported for the third quarter of last year. The lower revenue was primarily attributable to the lower product sales and the decreased construction activities due to the project delay caused by various factors, including material delivery, labor availability, design change and funding delay.

| | Three Months Ended June 30 | | Variance |
|--------------|----------------------------|-----------|----------|
| | 2023 | 2022 | |
| Gross margin | 24,343 | (167,851) | 192,194 |
| | 3% | -12% | |

Gross margin of \$24,343 was reported for the three months ended June 30, 2023, an increase of \$192,194 compared to gross loss of \$167,851 for the third quarter of last year. Gross profit as a percentage of revenue rose to 3%, primarily driven by the project execution improvement this year.

Operating Expenses

| | Three Months Ended June 30 | | Variance |
|--|----------------------------|---------|----------|
| | 2023 | 2022 | |
| Total operating expenses | 505,794 | 522,803 | (17,009) |
| Total operating expenses as a percentage of total revenue | 70% | 37% | |

Operating expenses for the quarter were \$505,794, down 3% from \$522,803 for the third quarter of last year. This operating expense reduction was driven by various cost-cutting initiatives the Company has taken to lower the overhead expenses across most of the expense categories.

Significant variances include:

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| | Three Months Ended June 30 | | |
|-----------|----------------------------|--------|----------|
| | 2023 | 2022 | Variance |
| Insurance | 25,750 | 51,379 | (25,629) |

Insurance expenses decreased primarily due to the absence of premium costs for discontinued AMEC operations and lower bonding cost for the projects this year.

| | Three Months Ended June 30 | | |
|-------------------|----------------------------|--------|----------|
| | 2023 | 2022 | Variance |
| Professional fees | 54,949 | 81,540 | (26,591) |

Professional Fees decreased by 32% to \$54,949 compared to \$81,540 reported for the third quarter of last year. During the third quarter of last year, the Company incurred higher legal costs to finalize the contract for Brooks project.

| | Three Months Ended June 30 | | |
|---------------------|----------------------------|--------|----------|
| | 2023 | 2022 | Variance |
| Office and supplies | 24,205 | 34,587 | (10,382) |

Office and supplies decreased to \$24,205, down 30% compared to the amount \$34,587 reported last year, which reflected the cost-cutting initiatives that the Company has taken to reduce the overhead expenses.

| | Three Months Ended June 30 | | |
|----------------------|----------------------------|--------|----------|
| | 2023 | 2022 | Variance |
| Share-based payments | 39,014 | 73,774 | (34,760) |

Non-cash share-based payments decreased 47% to \$39,014, primarily attributed to the stock options forfeited when the employment contracts were terminated, offset by the additional expense recognized for RSUs granted in last quarter.

| | Three Months Ended June 30 | | |
|----------------------|----------------------------|---------|----------|
| | 2023 | 2022 | Variance |
| Wages and consulting | 288,824 | 258,002 | 30,822 |

Wages and consulting increased 12% to \$288,824 compared to the amount \$258,002 reported last year. The increase was mainly driven by the severance paid and higher consulting fees incurred during the third quarter this year.

Operating results for the nine months ended June 30, 2023 and 2022

For the nine months ended June 30, 2023, the Company reported net loss of \$1,075,679, down 56% from \$2,452,286 reported for the comparative period of last year. The net loss reported last year included a net loss of \$268,438 for discontinued AMEC operation. Certain prior period comparative figures have been reclassified to conform with the current year's presentation.

Significant variances include:

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| | Nine Months Ended June 30 | | Variance |
|---------|---------------------------|-----------|-----------|
| | 2023 | 2022 | |
| Revenue | 4,106,741 | 3,103,141 | 1,003,600 |

Revenue for the nine months ended June 30, 2023 was \$4,106,741, representing 32% increase compared to the revenue reported for the comparative period of last year. The substantial revenue growth was contributed by higher construction revenue from several large projects and higher product sales this year.

| | Nine Months Ended June 30 | | Variance |
|-----------------|---------------------------|-----------|----------|
| | 2023 | 2022 | |
| Cost of revenue | 3,688,803 | 3,522,514 | 166,289 |

Cost of revenue comprises of purchases and subcontractor costs, direct wages, vehicle and travel, amortization, freight, and rental expenses. Total cost of revenue increased to \$3,688,803 from \$3,522,514 reported last year. This increase was in line with the revenue growth this year.

| | Nine Months Ended June 30 | | Variance |
|--------------|---------------------------|-----------|----------|
| | 2023 | 2022 | |
| Gross margin | 417,938 | (419,373) | 837,311 |
| | 10% | -14% | |

Gross margin of \$417,938 was reported for the nine months ended June 30, 2023, an increase of \$837,311 compared to gross loss of \$419,373 for the same period last year. Gross margin as a percentage of revenue went up to 10% from negative 14% one year ago. The higher gross margin was driven by the improvement the Company has made on project execution and cost control.

Operating Expenses

| | Nine Months Ended June 30 | | Variance |
|--|---------------------------|-----------|-----------|
| | 2023 | 2022 | |
| Total operating expenses | 1,448,397 | 1,722,008 | (273,611) |
| Total operating expenses as a percentage of total revenue | 35% | 55% | |

Operating expenses for the nine months ended June 30, 2023 were \$1,448,397, a decrease of 273,611 from \$1,722,008 reported last year. Operating expenses as a percentage of revenue decreased to 35% from 55% reported last year. The decrease was primarily attributed to the lower staff costs, share-based payments, insurance costs and professional fees, partially offset by the higher amortization, filing fees, travel expenses and cooperation fees incurred this year.

EBITDA

Below is the calculation of the EBITDA for the three and nine months ended June 30, 2023 and 2022:

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| | Three Months Ended June 30 | | Nine Months Ended June 30 | |
|--------------------------------------|----------------------------|------------------|---------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net (loss) from continuing operation | (502,326) | (693,735) | (1,075,679) | (2,183,848) |
| Interest expense | 17,703 | 2,962 | 46,510 | 13,869 |
| Accreted interest | 2,301 | - | 5,597 | - |
| Depreciation and Amortization | 64,166 | 41,821 | 182,191 | 124,768 |
| Share-based payments | 39,014 | 73,774 | 124,995 | 259,561 |
| EBITDA* | (379,142) | (575,178) | (716,386) | (1,785,650) |

*This is a non-GAAP financial measure

EBITDA loss for the three and nine months ended June 30, 2023 was \$379,142 and \$716,385 respectively, down 34% and 60% compared to EBITDA loss of \$575,178 and \$1,785,650 reported last year. The decrease of EBITDA loss reflected the Company's strong operating results for the first three quarters of fiscal 2023, driven by improvements the Company had achieved in project execution, operational efficiency, and cost management.

Consolidated Statements of Financial Position as at June 30, 2023 and September 30, 2022

Significant variances include:

Assets and Liabilities

| | June 30, 2023 | September 30, 2022 | Variance |
|---------------------------|---------------|--------------------|----------|
| Cash and cash equivalents | 554,212 | 239,105 | 315,107 |

The cash increase was contributed by the private placement closed in November 2022 with gross proceeds of \$1,052,000.

| | June 30, 2023 | September 30, 2022 | Variance |
|--------------------|---------------|--------------------|-----------|
| Amounts Receivable | 1,377,130 | 2,372,163 | (995,033) |

Amounts receivable decreased 42% compared to the balance at the year end of fiscal 2022, as most accounts receivable as at year end were collected. As at June 30, 2023, the amount of \$763,490 are past due. Of this amount, a total of \$400,536 was past due over 90 days.

| | June 30, 2023 | September 30, 2022 | Variance |
|-----------------|---------------|--------------------|----------|
| Contract assets | 92,982 | 35,550 | 57,432 |

Contract Assets increased primarily due to the construction work completed but were not billed to the customer based on the contract.

| | June 30, 2023 | September 30, 2022 | Variance |
|-----------|---------------|--------------------|----------|
| Inventory | 151,081 | 96,356 | 54,725 |

Inventory increased primarily due to the materials purchased but not installed for the projects.

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| | June 30, 2023 | September 30, 2022 | Variance |
|-------------------------------|---------------|--------------------|----------|
| Property, plant and equipment | 806,494 | 860,637 | (54,143) |

Property, plant, and equipment decreased 6% compared to the balance as at the year end, which reflected the right-of-use asset recognized for new office lease signed in October 2022 and disposal of construction vehicles. The lease term for the office is three years and will expire on October 31, 2025.

| | June 30, 2023 | September 30, 2022 | Variance |
|--|---------------|--------------------|-----------|
| Accounts payable and accrued liabilities | 415,420 | 782,477 | (367,057) |

Accounts payable and accrued liabilities decreased 47% compared to the amount reported as at the year end of fiscal 2022 due to payments made during the period.

| | June 30, 2023 | September 30, 2022 | Variance |
|------------------------|---------------|--------------------|----------|
| Due to related parties | 1,638,647 | 1,720,989 | (82,342) |

Pursuant to the cooperation agreement the Company signed with Ironman (Note 12 of the interim financial statements), during the nine months ended June 30, 2023, the total amount of \$2,093,253 was billed to Lite Access for the construction services for multiple Lite Access projects. As at June 30, 2023, the amount of \$1,167,284 was outstanding. No cooperation fees were paid as at June 30, 2023 and the full amount \$420,000 was reported under the related party payable.

| | June 30, 2023 | September 30, 2022 | Variance |
|---------------------------|---------------|--------------------|-----------|
| Revolving credit facility | - | 310,059 | (310,059) |

The Company had a revolving demand credit facility at RBC with a rate of prime plus 2.60% per annum. The drawdown of \$310,059 as at September 30, 2022 was paid back during the first quarter of fiscal 2023.

| | June 30, 2023 | September 30, 2022 | Variance |
|--|---------------|--------------------|----------|
| Lease liabilities (short and long-term) | 187,575 | 113,402 | 74,173 |

The increase in lease liabilities was primarily due to the increase of lease liabilities the Company recognized as the Right-of-use assets for the office lease signed in October 2022, partially offset by leased vehicle disposed during the second quarter.

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SUMMARY OF QUARTERLY RESULTS

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

| | June 30, 2023 | March 31, 2023 | December 31, 2022 | September 30, 2022 |
|--|---------------|----------------|-------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | 720,437 | 1,540,711 | 1,845,593 | 2,673,406 |
| Assets | 3,008,200 | 3,779,462 | 4,064,245 | 3,609,811 |
| Working Capital | 71,498 | 480,919 | 631,784 | (121,184) |
| Shareholders' Equity | 199,768 | 663,081 | 868,401 | 598,150 |
| Net Income (Loss) from continuing operations | (502,326) | (267,382) | (305,972) | (496,975) |
| Net Income (Loss) from discontinued operations | - | - | - | - |
| Basic Income (Loss) per Common Share - Continuing operations | (0.01) | (0.00) | (0.00) | (0.01) |
| Basic Income (Loss) per Common Share - Discontinued operations | - | - | - | - |
| Diluted Income (Loss) per Common Share - Discontinued operations | - | - | - | - |

| | June 30, 2022 (Reclassified) | March 31, 2022 (Reclassified) | December 31, 2021 (Reclassified) | September 30, 2021 (Reclassified) |
|--|---------------------------------|----------------------------------|-------------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Revenue | 1,395,713 | 361,380 | 1,346,049 | 832,414 |
| Assets | 3,997,361 | 5,308,465 | 5,690,139 | 6,547,701 |
| Working Capital | 313,503 | 136,793 | 141,574 | 439,461 |
| Shareholders' Equity | 1,056,757 | 1,746,434 | 1,857,376 | 2,471,541 |
| Net Income (Loss) from continuing operations | (693,735) | (911,676) | (578,437) | (232,929) |
| Net Income (Loss) from discontinued operations | 18,108 | (156,113) | (130,433) | 879,357 |
| Basic Income (Loss) per Common Share - Continuing operations | (0.01) | (0.01) | (0.01) | (0.00) |
| Basic Income (Loss) per Common Share - Discontinued operations | (0.00) | (0.00) | (0.00) | 0.01 |
| Diluted Income (Loss) per Common Share - Discontinued operations | (0.00) | (0.00) | (0.00) | 0.01 |

As the financial results of LAT UK and AMEC have been classified as discontinued operations, certain prior year comparative figures have been reclassified to compare with the current year's presentation.

Overall, the Company has seen a fluctuation in operational activity over the eight most recently completed quarters primarily due to the nature of its business. Results in any quarter are not necessarily indicative of results of any other quarter or for the year. The analysis of operating results for other quarters was included in the interim management discussion and analysis for each respective quarter.

LIQUIDITY AND CAPITAL MANAGEMENT

Liquidity Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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, 2023, the Company had working capital of \$71,498 (September 30, 2022: deficit \$121,184) and during the nine months ended June 30, 2023, the Company's cash increased from \$239,105, to \$554,212, contributed by the private placement closed in November 2022 with gross proceeds of \$1,052,000. The offering consisted

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of 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.

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. 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.

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 to continue 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.

Management of Capital

The Company considers its cash and cash equivalents and shareholders' equity as capital. There are no external restrictions on the Company's capital, and there have been no changes in this regard during the three and nine months ended June 30, 2023. The Company's principal source of funds for its operations is from sales and services, as well as the issuance of common shares and entering debt facilities. The issuance of common shares requires the approval of the Board of Directors. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to operate for the benefit of its stakeholders.

The Company uses stock options and restricted share units to retain and provide future Incentives to key employees and members of the management team. The Board of Directors determines the granting of stock options and restricted share units. The Company's overall capital management strategy remains unchanged from the prior year.

TRANSACTIONS WITH RELATED PARTIES

During the three and nine months ended June 30, 2023 and 2022, the Company entered 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 |

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| | |
|---------------------|--|
| 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 quarter that are not disclosed elsewhere in the consolidated financial statements. All related party transactions are recorded at the exchange amounts.

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, on July 26, 2022, the Company signed a cooperation agreement with Ironman Direction Drilling Ltd ("Ironman") in July 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 and 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 a secured convertible debenture of \$500,000 and 11,040,000 common shares at \$0.05 per share for gross proceeds of \$552,000.

The debentures are secured under a general security agreement and are due two years from the date of issue. The debentures bear a fixed interest rate of 12% per annum, payable monthly. 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.

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

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are considered related party transactions. The securities issued under the offering are subject to restrictions on resale until March 23, 2023. The proceeds were used to fund working capital needs and growth initiatives.

SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada. The UK and AMEC have been discontinued. The Company has two reporting segments: sale of micro-duct 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. Refer to note 13 of the Company's interim financial statements for segmented information.

PROPOSED TRANSACTIONS

The Company is identifying opportunities for acquisitions to increase its capacity and capability to execute projects in telecommunications network deployment in North America.

CRITICAL ACCOUNTING ESTIMATIONS AND JUDGEMENTS

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

Significant accounts that require estimates as the basis for determining the stated amounts include inventory valuation, amounts receivable and holdbacks receivable, impairment of goodwill, revenues recognized based on percentage of completion, property, plant and equipment impairment and amortization, and estimation of onerous contracts. Refer to note 5 of the Company's September 30, 2022 audited consolidated financial statements.

SIGNICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's September 30, 2022 audited consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

Refer to note 4 of the Company's audited consolidated financial statements for the year ended September 30, 2022.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, long-term debt, lease liabilities, revolving credit facility and due to related parties. The carrying value of the financial instruments approximates their fair values. Refer to Note 14 of the Company's June 30, 2023 interim financial statements.

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. 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 to continue 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

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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 and Capital Management Section above as well as Note 1 of the Company's June 30, 2023 interim financial statements.

OTHER

Outstanding Share Data

The Company is authorized to issue unlimited common shares without par value and unlimited preferred shares without par value. As at June 30, 2023 and the date of this MD&A, the Company had 85,892,538 common shares issued and outstanding. The holders of common shares are entitled to one vote per share at meetings of the Company.

During the quarter ended June 30, 2023, no options and warrants were exercised. As at June 30, 2023, and the date of this MD&A, 6,965,000 options and 8,929,350 warrants were outstanding. In February 2023, the Company adopted a securities-based compensation plan and granted a total of 3,250,000 restricted share units to certain officers, directors, and consultants. Refer to note 11 of the interim financial statements. All RSUs issued are outstanding as at the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

RISK FACTORS

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

High Degree of Product Concentration

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

Competition

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

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

Market Uncertainty

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

Labor and Key Personnel

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

Growth Management and Market Development

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

Pricing Policies

The competitive market in which Lite Access operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services to gain market share or sell products and services, the Company may need to lower its prices and offer other favorable terms to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of Lite Access's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With

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time, these practices could limit the prices Lite Access may charge for its products and services. If Lite Access cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

Product Failures and Mistakes

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

Technological Obsolescence

Competitors and new companies could launch new products. To remain on the cutting edge of technology, Lite Access may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain fibre optic industry sectors offering solutions like what Lite Access offers could increase. Technological progress and product development could make Lite Access products obsolete or reduce their value.

Lite Access may Acquire Businesses and Assets which are not Successfully Integrated

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

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

Lite Access may be Subject to Litigation

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

Lite Access does not have a Dividend History

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

Securities Investment Risks

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

Closing Details

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

"Michael Plotnikoff"

Michael Plotnikoff, CEO and Director
Vancouver, Canada
August 28, 2023