



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

LITE ACCESS TECHNOLOGIES INC.
Management's Discussion and Analysis
For the Years Ended September 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 January 26, 2024, should be read in conjunction with the audited consolidated financial statements for the years ended September 30, 2023 and 2022. Except as otherwise disclosed, all financial information in this report is presented in Canadian dollars.

The Company's audited consolidated financial statements and the notes thereto for the years ended September 30, 2023 and 2022 were 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 year ended September 30, 2023 and based on facts and circumstances as of January 26, 2024. 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 fiber 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 fiber 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.

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,

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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 Technologies Inc. ("Lite Access" or the "Company") is a world leader in fiber optic products and advanced installation methodologies. The Company offers integrated solutions for all types of telecom requirements. Beginning with a comprehensive project analysis to engineering, design and permitting, Lite Access offers a full complement of aerial and underground construction methodologies including splicing, testing and maintenance.

Our innovative approach, flexible products and installation solutions are combined with decades of experience and unparalleled passion. 'The Lite Access Way' methodology of construction for both trunk and fiber-to-the-premises (FTTx) connectivity has become a recommended and preferred method of fiber installation.

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, businesses, government and educational institutions, and emergency response facilities. Lite Access remains flexible and innovative in its commitment to providing global clients and partners with the most cost-effective and proven fiber 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 telecommunication industry continues to undergo exponential growth to meet the consumer demand for high-speed internet access. High demand, strong competition and the need to optimize the costs and risk have made many telecom providers accelerate fiber network deployment. The Company expected to see strong demand of our services in the coming years. Margin improvement remains key focus for Lite Access. The Company will continue to manage the projects more effectively through better project planning, project selection, increased pricing and by leveraging the relationships with customers, suppliers, and subcontractors. 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.

Merger and Acquisition

While the Company continues to drive organic growth within Canada, the acquisition of specialty business provides the opportunity to complement the self-performing capabilities and geographic coverage. On May 3, 2023, the Company announced a strategic investment by entering 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.

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.

Since the announcement of the deal in May 2023, both Lite Access and Ironman have maintained positive business trajectories, showcasing improved financials, successful project deliveries, strengthened customer and strategic partner relationships, and significant strides in uniting the two companies.

Subsequent to the year end, the Company and Ironman agreed to extend the exclusivity period until February 29, 2024. The parties are currently conducting their respective due diligence with the help of their legal and financial advisors. The

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completion of the Transaction is subject to a number of key conditions including entry into a definitive agreement between Lite Access and Ironman, completion of due diligence of the parties, shareholder approval, TSX Venture Exchange final approval and other conditions customary for this type of Transaction.

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 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.

FINANCIAL PERFORMANCE

Operating results for the years ended September 30, 2023 and 2022

The Company delivered improved operating results in fiscal 2023. Total revenue of \$5,001,619 was recorded, compared to \$5,776,549 in fiscal 2022. Gross margin increased to 7% from negative 3% reported a year ago. Operating expenses went down 24% to \$1,852,540 from \$2,445,199 reported last year. Net loss from continuing operation decreased 43% to \$1,475,904 from \$2,593,024 reported a year ago. Certain prior year comparative figures have been reclassified to conform with the current year's presentation.

Significant variances include:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Revenue	5,001,619	5,776,549	(774,930)

Revenue of \$5,001,619 was reported for the year, down \$774,930 from the amount reported last year. The lower revenue was primarily attributable to the decreased construction activities due to the project delay caused by various factors, including material delivery, labor availability, permit approval, design change and funding delay.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Gross margin	364,977	(162,799)	527,776
	7%	-3%	

Gross margin of \$364,977 was reported for the year, an increase of \$527,776 compared to gross loss of \$162,799 for last year. Gross profit as a percentage of revenue improved to 7% from negative 3% one year ago. The higher gross margin was

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driven by the improvement the Company made in project selection, pricing optimization, contract execution and cost control.

Operating Expenses

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Total operating expenses	1,852,540	2,445,199	(592,659)
Operating expenses as a percentage of total revenue	37%	42%	

Operating expenses for the year were \$1,852,540, down 24% from \$2,445,199 reported 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. Operating expenses as a percentage of revenue decreased to 37% from 42% reported last year. The decrease was primarily attributed to the lower cooperation fees, investor relation, staff costs, office and supplies, insurance costs, rental, and professional fees, partially offset by the higher amortization, share-based payments, travel expenses and filing fees incurred this year.

Significant variances include:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Insurance	69,767	84,091	(14,324)

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

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Professional fees	132,446	275,294	(142,848)

Professional Fees decreased by 52% to \$132,446 compared to \$275,294 reported last year. During the third quarter of last year, the Company incurred higher legal costs to terminate the contract for Brooks project.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Office and supplies	93,178	104,693	(11,515)

Office and supplies of \$93,178 included the legal provision \$16,984 recorded for RBBS claim (Refer to Note 22 of September 30, 2023 audited consolidated financial statements). Excluding the legal provision, the office and supplies decreased to \$76,194, down 27% compared to the amount \$104,693 reported last year, which reflected the cost-cutting initiatives that the Company has taken to reduce the overhead expenses.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Share-based payments	155,694	37,474	118,220

Non-cash share-based payments increased to \$155,694 from \$37,474 reported last year. The substantial increase resulted from the share-based payment expense recognized for RSUs granted during this year.

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	2023	2022	Variance
Wages and consulting	1,007,922	1,163,810	(155,888)

Wages and consulting decreased 13% to \$1,007,922 compared to the amount of \$1,163,810 reported last year. The decrease was mainly driven by the lower staff costs resulting from organization restructuring, partially offset by severance paid and higher consulting fees incurred during the year.

	2023	2022	Variance
Cooperation fees	24,718	375,282	(350,564)

Cooperation fee of \$24,718 was recorded for the cooperation projects Ironman completed in 2023, down \$350,564 from \$375,282 reported last year. The cooperation fees of \$400,000 pursuant to the agreement were fully earned as at September 30, 2023.

	2023	2022	Variance
Interest expense	80,792	18,795	61,997

Interest expense increased to \$80,792 from the amount of \$18,795 reported last year. The increase was primarily due to the interest expense of \$57,975 for convertible debenture issued in 2023.

EBITDA

Below is the calculation of the EBITDA for the years ended September 30, 2023 and 2022:

	2023	2022
Net (loss) from continuing operation	(1,475,904)	(2,593,024)
Interest expense	80,792	17,114
Depreciation and amortization	242,560	191,578
Share-based payments	155,694	37,474
EBITDA*	(996,858)	(2,346,858)

**This is a non-GAAP financial measure*

EBITDA loss for the year ended September 30, 2023 was \$996,858, down \$1,350,000 or 57% compared to EBITDA loss of \$2,346,858 reported last year. The decrease of EBITDA loss reflected the Company's strong operating results for fiscal 2023, driven by improvements the Company had achieved in project execution, operational efficiency, and cost management.

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

Significant variances include:

Assets and Liabilities

	September 30, 2023	September 30, 2022	Variance
Cash and cash equivalents	562,165	239,105	323,060

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

	September 30, 2023	September 30, 2022	Variance
Amounts Receivable	1,048,108	2,372,163	(1,324,055)

Amounts receivable decreased 56% compared to the balance at the year end of fiscal 2022, as most accounts receivable as at year end were collected. As at September 30, 2023, the amount of \$459,924 are past due. Of this amount, a total of \$419,349 was past due over 90 days.

	September 30, 2023	September 30, 2022	Variance
Contract assets	303,774	35,550	268,224

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

	September 30, 2023	September 30, 2022	Variance
Inventory	138,829	96,356	42,473

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

	September 30, 2023	September 30, 2022	Variance
Property, plant and equipment	768,155	860,637	(92,482)

Property, plant, and equipment decreased 11% 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 new office is three years and will expire on October 31, 2025.

	September 30, 2023	September 30, 2022	Variance
Accounts payable and accrued liabilities	507,328	782,477	(275,149)

Accounts payable and accrued liabilities decreased 35% compared to the amount reported as at the year end of fiscal 2022 due to payments made during the year.

	September 30, 2023	September 30, 2022	Variance
Due to related parties	1,759,187	1,720,989	38,198

Pursuant to the cooperation agreement the Company signed with Ironman, during the year ended September 30, 2023, the total amount of \$2,573,018 was billed to Lite Access for the construction services for multiple Lite Access projects. As at September 30, 2023, the amount of \$1,393,874 was outstanding. The cooperation fee of \$400,000 was fully earned as at the end of fiscal 2023, and the amount of \$359,543 was outstanding and reported under related party payable.

	September 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.

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	September 30, 2023	September 30, 2022	Variance
Lease liabilities (short and long-term)	169,712	113,402	56,310

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

	September 30, 2023	September 30, 2022	Variance
Convertible debenture - debt component	489,168	-	489,168
Convertible debenture - equity component	18,807	-	18,807

The Company issued convertible debentures with gross proceeds of \$500,000 with the private placement closed in November 2022 (Refer to Note 9 of September 30, 2023 audited consolidated financial statements). The convertible debentures were accounted for as a compound financial instrument with liability and equity components recognized.

SELECTED ANNUAL INFORMATION

The audited consolidated financial statements for the years ended September 30, 2023, 2022 and 2021 were prepared in accordance with International Financial Reporting Standards (IFRS), with a Canadian dollar presentation currency.

	Year Ended September 30, 2023 (Audited) \$	Year Ended September 30, 2022 (Audited) \$	Year Ended September 30, 2021 (Audited) \$
Revenue	5,001,619	5,776,549	5,354,597
Cost of revenue	4,636,642	5,939,348	5,337,142
Gross profit	364,977	(162,799)	17,455
Operating expenses	1,852,540	2,445,199	2,786,866
Other income (expenses)	11,659	14,974	1,031
Net Income(loss)from continuing operation	(1,475,904)	(2,593,024)	(2,768,380)
Comprehensive Income(loss)from discontinued operation	-	(268,439)	4,915,654
Earning (loss) per share from continuing operation-basic/diluted	(0.02)	(0.04)	(0.04)
Earning (loss) per share from discontinued operation-basic	-	(0.00)	0.08
Earning (loss) per share from discontinued operation-diluted	-	(0.00)	0.07

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.

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	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
	\$	\$	\$	\$
Revenue	894,878	720,437	1,540,711	1,845,593
Assets	2,852,621	3,008,200	3,779,462	4,064,245
Working Capital	(277,795)	71,498	480,919	631,784
Shareholders' Equity	(169,758)	199,768	663,081	868,401
Net Loss from continuing operations	(400,224)	(502,326)	(267,382)	(305,972)
Net Income (Loss) from discontinued operations	-	-	-	-
Basic Income (Loss) per Common Share - Continuing operations	(0.00)	(0.01)	(0.00)	(0.00)
Basic Income (Loss) per Common Share - Discontinued operations	-	-	-	-
Diluted Income (Loss) per Common Share - Discontinued operations	-	-	-	-

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
	\$	(Reclassified) \$	(Reclassified) \$	(Reclassified) \$
Revenue	2,673,406	1,395,713	361,380	1,346,049
Assets	3,609,811	3,997,361	5,308,465	5,690,139
Working Capital	(121,184)	313,503	136,793	141,574
Shareholders' Equity	598,150	1,056,757	1,746,434	1,857,376
Net Income (Loss) from continuing operations	(496,975)	(693,735)	(911,676)	(578,437)
Net Income (Loss) from discontinued operations	-	18,108	(156,113)	(130,433)
Basic Income (Loss) per Common Share - Continuing operations	(0.01)	(0.01)	(0.01)	(0.01)
Basic Income (Loss) per Common Share - Discontinued operations	-	(0.00)	(0.00)	(0.00)
Diluted Income (Loss) per Common Share - Discontinued operations	-	(0.00)	(0.00)	(0.00)

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.

For the fourth quarter ended September 30, 2023, the Company reported a total revenue of \$894,878, down \$1,778,528 from \$2,673,406 reported for the fourth quarter of last year. The substantial revenue decrease was due to the absence of large project of Saddle Lake, which represented 50% of the total revenue reported for the fourth quarter of last year. The higher revenue volume also contributed to higher gross margin for last year. Operating expenses decreased to \$362,144, down \$296,547 compared to \$658,691 reported a year ago. Net loss for the continuing operation for the quarter was \$400,225 compared to \$496,975 for the fourth quarter of last year. The lower net loss was reflected in the expense control measures the Company took this year which resulted the lower operating expenses across most categories.

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 September 30, 2023, the Company had working capital deficit of \$277,795 (September 30, 2022: \$121,184) and during the year ended September 30, 2023, the Company's cash increased from \$239,105, to \$562,165, contributed by the private placement closed in November 2022 with gross proceeds of \$1,052,000. The offering

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consisted 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 year ended September 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 and debt facilities 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 years ended September 30, 2023 and 2022, the Company entered related party transactions or held balances with the following individuals and corporations:

David Toyoda	Director
Michael Plotnikoff	Former CEO and Director
Linda Han	CFO
Mark Tommasi	CEO and Director
622738 BC Ltd.	Company controlled by Mark Tommasi
Michael Irmen	Director
Ironman Directional Drilling Ltd.	Company controlled by Michael Irmen
1097195 BC Ltd.	Company controlled by Michael Irmen
Alex McAulay	Director

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Key Management Compensation

	2023	2022
	\$	\$
Short-term employee benefits and director fees (in wages and consulting)	371,386	354,275
Share-based payments	80,821	172,060
Total	452,207	526,335

As at September 30, 2023, a total of \$5,769 was included in related parties payable for accrued salary.

Other Related Party Transactions

(a) Cooperation Agreement with Ironman

On July 26, 2022, the Company signed a cooperation agreement with Ironman Direction Drilling Ltd., whereby Lite Access and Ironman will jointly provide their specialized fiber installation and directional drilling services on new fiber optic network projects.

Under the terms of the cooperation agreement, Lite Access offers Ironman the right of first refusal to provide directional drilling services on all new projects of Lite Access. In each instance of cooperation, Lite Access and Ironman will enter into a binding service agreement that sets out the services and consideration paid to Ironman for each Lite Access new project. The cooperation agreement further provides that Ironman offers Lite Access the right of first refusal to provide its fiber installation services on all new projects of Ironman. The term of the cooperation agreement is three years. In consideration of Ironman agreeing to enter into this cooperation agreement, Ironman will receive a maximum of \$400,000 cooperation fees over two years through a profit-sharing arrangement on Lite Access new projects. Pursuant to the profit-sharing arrangement, Lite Access will pay the cooperation fees to Ironman by paying 60% of the gross profit on cooperation projects. The agreement may be terminated by either party on thirty days' notice if Ironman has received the payment of \$400,000 in cooperation fees.

As part of the cooperation agreement, the Company issued a total of 2,265,440 common shares at a price of \$0.08 per share for total consideration of \$181,236 to settle the debt to Ironman in the amount of \$226,544. As a result, the Company recognized a gain on settlement of debt in the amount of \$45,309 (Refer to Note 14 of the Company's audited consolidated financial statements for the year ended September 30, 2023).

During the years ended September 30, 2023 and 2022, Ironman provided the construction services for multiple Lite Access projects and a total amount of \$2,573,018 (2022: \$1,460,671) was billed to Lite Access. As at September 30, 2023, the amount of \$1,393,874 was outstanding (September 30, 2022: \$1,321,546). The cooperation fee of \$375,282 and \$24,718 were earned in fiscal 2022 and 2023 respectively. As at September 30, 2023, the amount of \$359,543 (inclusive of GST) was outstanding and reported under the related party payable.

During the year ended September 30, 2023, Lite Access recorded total revenue of \$206,217 from Ironman, including product sales \$148,639 and project management fee \$57,578. All the amounts were paid out as at September 30, 2023.

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(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 (Note 9 and 14 of the Company's audited consolidated financial statements for the year ended September 30, 2023).

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. As at September 30, 2023, no debenture was converted and total interest of \$25,000 was paid to the related party during the year ended September 30, 2023.

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: product sales and fiber 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 17 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

SUBSEQUENT EVENTS

On November 15, 2023, the Company granted Mr. Tommasi and his controlled firm 150,000 stock options in connection with his appointment as interim CEO. The options are exercisable at \$0.10 per share for a period of five years from the date of grant. On November 15, 2023, a total of 450,000 RSUs previously issued to the former CEO was cancelled.

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. Refer to Note 23 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

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 audited consolidated financial statements for the year ended September 30, 2023.

SIGNICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

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, 2023.

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FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, provision, 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 18 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

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. Refer to Liquidity and Capital Management Section above as well as Note 1 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

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 September 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 year ended September 30, 2023, no options and warrants were exercised. As at September 30, 2023, and the date of this MD&A, 6,815,000 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. Subsequent to the year-end, 450,000 RSU were cancelled and a total of 2,800,000 RSU 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

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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.

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

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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 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 fiber 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.

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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

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.

"Mark Tommasi"

Mark Tommasi, CEO and Director
Vancouver, Canada
January 26, 2024