MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

INTRODUCTION

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated January 28, 2021, should be read in conjunction with the audited consolidated financial statements for the years ended September 30, 2020 and 2019, and related notes therein. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The audited consolidated financial statements of the Company for the year ended September 30, 2020 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 year ended September 30, 2020 and plans for the future based on facts and circumstances as of January 28, 2021. 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 change 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.

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 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 world 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. Lite Access has successfully deployed or enabled deployment of thousands of kilometres of broadband networks throughout North America and the United Kingdom as well as South America, Africa, Australia and Asia.

As part of its suite of services Lite Access provides clients with integrated solutions or select components for the design and implementation of fibre optic networks. Lite Access' products have been deployed in many high-profile communication networks including Olympic facilities, military and government, numerous communities as well as global telecommunications companies that have adopted Lite Access as the "solution of choice" for the least invasive, most cost effective and future-proof fibre optic connectivity available.

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 #5 – 20678 Duncan Way, Langley, British Columbia, Canada, V3A 7A3, and its registered and records office is located at 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

COMPANY DEVELOPMENTS AND OUTLOOK

UK Operations:

In October 2019, CityFibre, awarded the Company a contract for fibre-to-the premises (FTTP) installation to over 28,000 homes in Lowestoft, England valued at approximately CAD$20 million over 2 years. In January 2020, CityFibre, awarded the Company with an additional contract in Bury St. Edmunds, England, valued at approximately CAD$13 million over 2 years and in April 2020, CityFibre awarded the Company a third contract for FTTP installation to over 20,000 homes in Cambridge, England valued at approximately CAD$20 million over 21 months, bringing the total UK backlog to over CAD$53 million.

Entering the first quarter, the Company was right-sizing its UK operations and winding down its previous contract with Gigaclear. During the three months ended December 31, 2019, the Company was primarily engaged in negotiating the Lowestoft contract with CityFibre, de-mobilizing from Oxfordshire and commencing mobilization efforts in Lowestoft in November 2019, as well as preliminary surveying work. During the three months ended March 31, 2020, the Company was primarily engaged in initial ramp up of operations in Lowestoft and Bury St. Edmunds. During the three months ended June 30, 2020, the Company continued to progress its operations in Lowestoft and Bury St. Edmunds, while initial ramp up of the Cambridge operations commenced in May 2020.

Since January 2020, the Company progressively commenced and scaled up its operations in Lowestoft followed by additional city deployments in Bury St. Edmunds and Cambridge, requiring the Company to grow to over 250 employees and contractors in approximately 6 months, during a global pandemic. With this aggressive growth and opportunity in multiple cities, comes operational ramp up challenges, including new and unproven staff and employee turnover, attracting appropriate sub-contractors and crews, learning curve on operational efficiencies and improving crew productivity, all in a difficult operating environment during the COVID-19 global pandemic back-drop. Despite these challenges, which resulted in a slower than anticipated ramp-up, the Company continued to progress its projects and worked closely with its clients and showed steady improvement from Q2 2020 to Q3 2020 in revenue. During the fourth quarter, the Company was focused on execution of its contracts, and continually adapting best practices, systems, policies and procedures in order to achieve continued operational and financial improvement, month-over-month and quarter-over quarter. The Company was also working closely with its customer for several months to seek additional support related to operational inefficiencies related to COVID-19 and other contractual challenges, but with limited progress. Execution of operations was proving to be increasingly challenging with continuing tighter COVID-19 restrictions and recent UK lockdowns, and in November 2020, the Company announced that it was unable to meet targets with the continuing conditions and was implementing a mitigation strategy. Accordingly, the UK operations were suspended temporarily to allow the Company time to consult with stakeholders to optimize both its current operations and existing contracts in a COVID-19 environment.

In December 2020, the Company resumed partial UK operations, based on good faith discussions with its customer that certain contractual challenges would be addressed, and was working to build a pathway to increase the ramp-up of operations and was working with stakeholders to create a sustainable path forward incorporating planning and operational efficiencies and optimizing existing contracts. However, shortly after the continued discussions which the Company entered into in good faith with its customer regarding contractual challenges and operational inefficiencies, all in the context of a very challenging COVID environment, the Company received a notice from its customer that the Company had allegedly committed a repudiatory breach of its contracts for FTTP installation in Cambridge, Lowestoft and Bury St Edmunds (the "contracts") by its suspension of works. Based on the alleged repudiatory breaches, the customer has purported to terminate its engagement of the Company under all of the contracts. Notwithstanding the notices to terminate, the Company intends to vigorously defend its position that it was not in repudiatory breach of the contracts at the time of its receipt of the notices and is actively engaged with its UK legal counsel regarding this matter, as well as potential remedies. As a result, the Company took immediate steps to mitigate any unnecessary cash burn for its UK operations and elected to file a notice of intent to appoint an administrator (the "NOI") to create a moratorium over the Company in order to protect the assets of Lite Access UK. In January 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators.

The Company continues with business development activities with other network operators in the UK and various government municipalities in Canada, with the intention being to diversify and de-risk the business.

Canadian Operations:

The Canadian market and business conditions continue to improve and provide a real, sustainable opportunity for our Company's growth. Even before the Canadian Government's announcement last October to spend $10 billion on infrastructure initiatives such as broadband, we have definitely witnessed business activity picking up following some process delays due to Coronavirus. Our proposal activity in Canada has been and continues to be much busier than normal. The Company is well-positioned to engage in infrastructure projects, diversify our client base and expand our presence in Western Canada and other regions.

Brooks, Alberta

The Company reports that Brooks Alberta City council unanimously agreed to accept a proposal from Lite Access to construct a city-wide broadband network valued at approximately $14.4 million, pending a successful negotiation of a contract. In August 2020, the City of Brooks issued an RFP and accepted proposals to provide broadband to the city.

The purpose of the RFP was to solicit proposals from qualified construction contractors, for the design, build, operation and maintenance (DBOM) of a citywide open access network using fixed wireless or fibre-to-the-home (FTTH) Next Generation Broadband Network (NGBN) capable of Gigabit + speed service to the end user within the City of Brooks.

West Vancouver, British Columbia

Lite Access was awarded a fibre build contract valued at over $400,000 from a major Canadian carrier. Lite Access provided civils and construction services to install fibre through West Vancouver, British Columbia using its advanced deployment and excavation methods. The project commenced in December 2020 and is substantially completed.

Southeastern British Columbia

In the Fall of 2020, a region in southeastern British Columbia issued an RFP for the provision of project management and construction services, utilizing both aerial and underground fibre construction methodologies, to deploy fibre optic cable. Lite Access was successful in the RFP process with its proposal of approximately $1 million for the services, the terms of which are being negotiated towards a mutually acceptable agreement. Construction for the project is planned to start in the June timeframe.

Prince George, British Columbia

Further to the Company's press release dated September 17, 2020, Lite Access recently completed Phase 1 of the fibre project for the City of Prince George valued at approximately $1.1 million. Phases 2 and 3 of the project, valued at approximately $400,000, is currently scheduled to be completed by the end of June.

Clearwater County, Alberta

Further to the Company's press release dated May 28, 2020, Lite Access has completed the majority of the design/build fibre project for Clearwater County, Alberta with the remainder to be completed in April. The project has a total contract value worth approximately $1.2 million.

Financing:

In order to help finance the Company's growth during fiscal 2020, following a review of the Company's current financial position, in addition to the Company's $500,000 revolving demand credit facility at Royal Bank of Canada ("RBC") prime plus 2.60%, RBC approved an additional $1,650,000 revolving credit facility at RBC's prime plus 0.66%, with the first and second credit facilities not to exceed $1.9 million. The first facility is repayable on demand and the second facility was repayable on June 30, 2021. As a condition to RBC granting the credit facility, the Company entered into a corporate guarantee and a general security agreement granting a first priority general security interest in all personal property of the Company, and a cash collateral agreement in the amount of $200,000. As a result of the termination of the UK contracts, in January 2021, RBC informed the Company that the second additional $1,650,000 revolving credit facility was cancelled and the cash collateral of $200,000 has been released as there were no amounts outstanding, while the first $500,000 revolving demand credit facility continues to remain in place.

In March 2020, the Company closed a non-brokered private placement, in two tranches, by issuing 7,035,000 units ("Units") at a price of $0.50 per Unit for gross proceeds of $3,517,500 (the "Financing"). Each Unit consists of one common share of the Company and one share purchase warrant (each a "Warrant"), with each Warrant entitling the holder to purchase one additional common share for a period of three years from the date of the issue at an exercise price of $0.65 per share. The Company has the right to accelerate the expiry date of the Warrants if, at any time, the volume weighted average price of the Company's common shares is equal to or greater than $0.85 for 20 consecutive trading days. The Company confirmed that the acceleration event has occurred as of August 20, 2020 and accordingly, chose to accelerate the expiry date of the Warrants to September 11, 2020. The Company chose to accelerate the expiry date of the Warrants primarily because of 1) the significant growth the Company was experiencing quarter-over-quarter and was anticipating going into fiscal 2021 2) the result of the Company's billing cycle moving from every two weeks to every month and 3) the result of a slower than anticipated ramp-up due to COVID-19. The Company received proceeds of approximately $4.7 million from warrant exercises, representing a 98% take-up of the outstanding warrants.

The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Expressed in Canadian Dollars

FINANCIAL PERFORMANCE

For the year ended September 30, 2020, the Company had comprehensive loss of $17,272,126 (September 30, 2019: comprehensive loss of $5,440,890), with an EBITDA of $(7,531,135) (September 30, 2019: $(3,827,369)). The comprehensive net loss comprised of revenues of $18,867,242 (September 30, 2019: $12,194,874), costs of sales of $20,235,882 (September 30, 2019: $11,132,948), operating expenses of $16,098,692 (September 30, 2019: $6,329,065), including non-cash impairment charges of $4,736,127 and an onerous contract provision of $3,315,147 and other income of $29,192 (September 30, 2019: $4,211). EBITDA excludes share -based payments, impairment charges, onerous contract provision, interest expense and amortization.

DISCUSSION OF OPERATIONS

Consolidated Statements of Financial Position as at September 30, 2020 and September 30, 2019

Significant variances include:

Assets and Liabilities

	September 30, 2020	September 30, 2019	Variance
Cash and cash equivalents	$ 1,486,633	$ 1,216,735	$269,898

In March 2020, the Company closed a non-brokered private placement, in two tranches, by issuing 7,035,000 Units at a price of $0.50 per Unit for gross proceeds of $3,517,500. Additionally, in September 2020, the Company received proceeds of $4,682,340 from the exercise of warrants. This was offset by cash outflows from operating activities as the Company progressed its operations in Lowestoft Bury St. Edmunds, and Cambridge operations throughout the year ended September 30, 2020.

	September 30, 2020	September 30, 2019	Variance
Amounts Receivable	$ 5,708,184	$ 1,998,756	$ 3,709,428

Amounts receivable increased as the Company progressed its operations and billings in Lowestoft, Bury St. Edmunds, and Cambridge operations during the year ended September 30, 2020. In the prior year, the Company was ramping down the Gigaclear project. As at September 30, 2020, a provision of $111,217 (2019: $138,456) was recorded as an allowance for doubtful accounts.

	September 30, 2020	September 30, 2019	Variance
Contract Assets	$ 1,138,986	$ 217,250	$ 921,736

Contract Assets increased primarily due to ongoing work as the Company progressed its operations in Lowestoft, Bury St. Edmunds, and Cambridge operations throughout the year ended September 30, 2020. In the prior year, the Company was ramping down the Gigaclear project. As at September 30, 2020, a provision of $467,323 was recorded as an allowance for doubtful accounts.

	September 30, 2020	September 30, 2019	Variance
Inventory	$ 383,191	$ 224,349	$ 158,842

Inventory increased primarily due to material purchases for projects as the Company progressed its operations in Lowestoft, Bury St. Edmunds, and Cambridge operations during the year ended September 30, 2020. In the period ended September 30, 2019, the Company was ramping down the Gigaclear Project. As at September 30, 2020, a provision of $1,232,971 was recorded to write inventory down to net realizable value.

Expressed in Canadian Dollars

	September 30, 2020	September 30, 2019	Variance
Property, plant and equipment	$ 2,803,399	$ 4,909,229	($2,105,830)

Property, plant and equipment decreased primarily due to a non-cash impairment charge of $1,954,823 recorded as at September 30, 2020 to write down the UK equipment to its fair value.

	September 30, 2020	September 30, 2019	Variance
Accounts payable and accrued liabilities	$ 9,066,152	$ 1,367,222	$ 7,698,930

Accounts payable and accrued liabilities increased in conjunction with the timing of purchases and the required payment terms as the Company progressed its operations in Lowestoft, Bury St. Edmunds, and Cambridge during the year ended September 30, 2020. In the period ended September 30, 2019, the Company was ramping down the Gigaclear Project.

	September 30, 2020	September 30, 2019	Variance
Onerous Contract Provision	$ 3,315,147	$ -	$ 3,315,147

The contracts for Lowestoft, Bury St. Edmunds and Cambridge were terminated subsequent to year end. As the costs and purchase obligations under the contract exceed the economic benefit, they were deemed to be considered onerous contracts. As a result, the estimated losses incurred subsequent to September 30, 2020 have been accrued.

	September 30, 2020	September 30, 2019	Variance
Lease Liabilities (current and long-term)	$507,900	$ 303,396	$ 204,504

Lease liabilities increased due to the adoption of IFRS 16 Leases, whereby right-of-use assets were recorded on the statement of financial position with a corresponding lease liability (see note 4 of the consolidated financial statements), primarily as a result of new working facilities in the UK as the company continued to progress its projects.

<u>Consolidated Statements of Operations and Comprehensive Loss for the year ended September 30, 2020 and 2019</u>

For the year ended September 30, 2020, the Company had comprehensive loss of $17,272,126 (September 30, 2019: comprehensive loss of $5,440,890), which included non-cash impairment charges of $4,736,127 and an accrual of $3,315,147 related to an onerous contract provision.

Significant variances include:

	September 30, 2020	September 30, 2019	Variance
Revenue	$ 18,867,242	$12,194,874	$6,672,368

Revenue increased for the year ended September 30, 2020, as the Company was focused primarily on ramping up and executing its operations in the in Lowestoft, Bury St. Edmunds and Cambridge. Subsequent to year end, after continued discussions which the Company entered into in good faith with its customer regarding contractual challenges and operational inefficiencies, all in the context of a very challenging COVID environment, the Company received a notice from its customer that the Company had allegedly committed a repudiatory breach of its contracts for FTTP installation in Cambridge, Lowestoft and Bury St Edmunds (the "contracts") by its suspension of works. Based on the alleged repudiatory breaches, the customer has purported to terminate its engagement of the Company under all of the contracts. In the prior year period, the UK operations was generating revenue on the Gigaclear project and the Company's Canadian operations saw a significant contract being executed for a major telecom customer as well as ad hoc product related sales.

Expressed in Canadian Dollars

	September 30, 2020	September 30, 2019	Variance
Cost of Sales	$ 20,235,882	$11,132,948	$9,102,934

Cost of sales comprises of purchases and subcontractor costs, direct wages, vehicle and travel, amortization, freight and rental expenses. The increase in costs of sales was correlated with the increase in revenue and activity related to timing of execution of specific projects, primarily in the UK during the year ended September 30, 2020.

	September 30, 2020	September 30, 2019	Variance
Gross Margin	-7%	9%	(16%)

Gross margin decreased primarily due to the level of activity related to execution of specific projects and product related sales. In the current year, the Company was primarily focused on set up, mobilization, and commencement of initial ramp up in Lowestoft, Bury St. Edmunds, and Cambridge. As the Company ramped up it's UK operations, it experienced contractual challenges and operational inefficiencies, in the context of a very challenging COVID environment. In the prior year, the Company was executing the Gigaclear contract in the UK as well as executing a large contract in Canada.

Operating Expenses

	September 30, 2020	September 30, 2019	Variance
Office and Supplies	$648,460	$381,346	$267,114

Office and Supplies increased due to the increase in new employees and locations to execute the Lowestoft, Bury St. Edmunds, and Cambridge contracts.

	September 30, 2020	September 30, 2019	Variance
Professional Fees	$1,079,116	$240,429	$838,687

Professional Fees increased primarily due to increased recruitment fees, as the Company commenced hiring of new employees to execute the Lowestoft, Bury St. Edmunds, and Cambridge contracts. Additionally, the Company incurred legal and due diligence fees as part of potential acquisition opportunities.

	September 30, 2020	September 30, 2019	Variance
Share-based payments	$613,368	$320,266	$293,102

Non-cash share-based payments increased as a result of additional stock options grants throughout fiscal 2020 as well as an increase in the related share price on grant date of options.

	September 30, 2020	September 30, 2019	Variance
Valuation Impairment	$4,736,127	$-	$4,736,127

As a result of the UK contracts being terminated subsequent to year end, a non-cash impairment charge was recorded as of September 30, 2020, to write down certain holdback receivables, contract assets, prepaid expenses and deposits, inventory, and property, plant and equipment to its estimated net realizable value.

Expressed in Canadian Dollars

	September 30, 2020	September 30, 2019	Variance
Onerous contract provision	$3,315,147	$-	$3,315,147

The contracts for Lowestoft, Bury St. Edmunds and Cambridge were terminated subsequent to year end. As the costs and purchase obligations under the contract exceed the economic benefit, they were deemed to be considered onerous contracts. As a result, the estimated losses incurred subsequent to September 30, 2020 have been accrued.

<u>Consolidated Statements of Operations and Comprehensive Loss for the Three Months Ended September 30, 2020 and 2019</u>

For the three months ended September 30, 2020 the Company had comprehensive loss of $13,394,247 (September 30, 2019: comprehensive loss of $2,597,071), which included non-cash impairment charges of $4,736,127 and an accrual of $3,315,147 related to an onerous contract provision.

Significant variances include:

	September 30, 2020	September 30, 2019	Variance
Revenue	$ 9,292,692	$1,186,582	$8,106,110

Revenue increased for the three months ended September 30, 2020 as a result of the timing of specific projects. In the current year quarter, the Company was focused on progressing it's operations in Lowestoft, Bury St. Edmunds and Cambridge, whereas in the prior year, the Company was commencing the wind-down of the Gigaclear project.

	September 30, 2020	September 30, 2019	Variance
Cost of Sales	$ 11,793,856	$2,453,729	$9,340,127

Cost of sales comprises of purchases and subcontractor costs, direct wages, vehicle and travel, amortization, freight and rental expenses. The increase in Cost of Sales is in line with the increased activity. In the current year quarter, the Company was focused on progressing its operations in Lowestoft, Bury St. Edmunds and Cambridge, whereas in the prior year, the Company was commencing the wind-down of the Gigaclear project.

	September 30, 2020	September 30, 2019	Variance
Gross Margin	-27%	-107%	80%

Gross margin increased primarily due to the increased level of activity related to timing of execution of specific projects. In the current year quarter, the Company was focused on progressing it's operations in Lowestoft, Bury St. Edmunds and Cambridge. As the Company ramped up it's UK operations, it experienced contractual challenges and operational inefficiencies, in the context of a very challenging COVID environment. In the prior year, the Company was commencing the wind-down of the Gigaclear project.

Operating Expenses

	September 30, 2020	September 30, 2019	Variance
Office and Supplies	$308,161	$92,239	$215,922

Expressed in Canadian Dollars

Office and Supplies increased due to the increase in new employees and locations to execute the Lowestoft, Bury St. Edmunds, and Cambridge contracts. In the prior year quarter, the Company was winding down the Gigaclear project.

	September 30, 2020	September 30, 2019	Variance
Professional Fees	$399,221	$94,673	$304,548

Professional Fees increased primarily due to increased recruitment fees, as the Company continued hiring new employees to execute the Lowestoft, Bury St. Edmunds, and Cambridge contracts. Additionally, the Company incurred legal and due diligence fees as part of a potential acquisition opportunity. In the prior year quarter, the Company was winding down the Gigaclear project.

	September 30, 2020	September 30, 2019	Variance
Share-based payments	$100,737	$(65,494)	$166,231

Non-cash share-based payments increased as a result of additional stock options grants throughout the quarter, as new employees joined the Company as well as an increase in the related share price on grant date of options.

	September 30, 2020	September 30, 2019	Variance
Valuation Impairment	$4,736,127	$-	$4,736,127

As a result of the UK contracts being terminated subsequent to year end, a non-cash impairment charge was recorded as of September 30, 2020, to write down certain holdback receivables, contract assets, prepaid expenses and deposits, inventory, and property, plant and equipment to its estimated net realizable value.

	September 30, 2020	September 30, 2019	Variance
Onerous contract provision	$3,315,147	$-	$3,315,147

The contracts for Lowestoft, Bury St. Edmunds and Cambridge were terminated subsequent to year end. As the costs and purchase obligations under the contract exceed the economic benefit, they were deemed to be considered onerous contracts. As a result, the estimated losses incurred subsequent to September 30, 2020 have been accrued.

	September 30, 2020	September 30, 2019	Variance
Wages and consulting	$1,327,181	$521,774	$805,407

Wages and consulting increased correlated with the increased activity, consistent with the Company's requirements to manage its ongoing projects. The Company was focusing on executing its operations in Lowestoft, Bury St. Edmunds, and Cambridge in the current year quarter, whereas in the prior year, the Company was winding down the Gigaclear project.

Expressed in Canadian Dollars

SELECTED ANNUAL INFORMATION

	Year Ended September 30, 2020 (audited) $	Year Ended September 30, 2019 (audited) $	Year Ended September 30, 2018 (audited) $
Revenue	18,867,242	12,194,874	9,698,526
Cost of Sales	20,235,882	11,132,948	12,653,503
Gross Profit (loss)	(1,368,640)	1,061,926	(2,954,977)
Assets	11,649,154	8,726,413	15,422,129
Long-Term Liabilities	382,325	157,210	456,236
Comprehensive Income (Loss)	(17,272,126)	(5,440,890)	(10,257,012)
Basic and Diluted Income (Loss) per Common Share	(0.36)	(0.12)	(0.24)

The audited consolidated financial statements for the years ended September 30, 2020, 2019 and 2018 were prepared in accordance with International Financial Reporting Standards (IFRS), with a Canadian dollar presentation currency.

Expressed in Canadian Dollars

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.

	September 30, 2020 $	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $
Revenue	9,292,692	6,428,504	2,036,507	1,109,539
Assets	11,649,154	11,803,860	10,849,453	8,422,370
Working Capital	(3,819,547)	2,462,930	3,299,391	1,580,174
Shareholders' Equity	(1,398,473)	7,151,834	7,969,938	6,367,730
Net Income (Loss)	(13,437,068)	(942,867)	(2,100,772)	(957,433)
Basic and Diluted Income (Loss) per Common Share	(0.25)	(0.02)	(0.05)	(0.02)

	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Revenue	1,186,582	1,377,726	2,834,129	6,796,437
Assets	8,726,413	11,232,127	13,784,794	16,900,406
Working Capital	2,153,813	4,601,752	6,368,856	7,338,852
Shareholders' Equity	6,905,832	9,568,397	11,727,436	12,738,259
Net Income (Loss)	(2,658,805)	(1,954,431)	(1,006,982)	358,640
Basic and Diluted Income (Loss) per Common Share	(0.07)	(0.04)	(0.02)	0.01

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. Significant variations during the quarters, can be primarily attributed to the following events:

- The three months ended September 30, 2020 included non-cash impairment charges of $4,736,127 and an accrual of $3,315,147 related to an onerous contract provision.
- During the three months ended March 31, 2020, the Lite Access UK segment focused its resources to ramp up its projects in Lowestoft and Bury St. Edmunds
- During the three months ended September 30, 2019, the Lite Access UK segment focused its resources to wind-down the Gigaclear project in Oxfordshire, UK.
- During the three months ended December 31, 2018, the Company saw significant revenue growth and net income, primarily related to product sales, a large project in the Canadian operations as well as revenue from the Gigclear project.

Please refer to section 'Discussion of Operations' hereinabove for additional details.

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, 2020, the Company had a working capital deficiency of $3,819,547 (September 30, 2019: working capital of $2,153,813).

During the year ended September 30, 2020, the Company's cash increased from $1,216,735, as at September 30, 2019, to $1,486,633 as at September 30, 2020, primarily as a result of cash inflows from financing activities, which was offset by cash outflows from operating activities.

In January 2020, following a review of the Company's current financial position, in addition to the Company's $500,000 revolving demand credit facility at RBC's prime plus 2.60%, RBC approved an additional $1,650,000 revolving credit facility at RBC's prime plus 0.66%, with the first and second credit facilities not to exceed $1.9 million. The first facility is repayable on demand and the second facility is repayable on June 30, 2021. As a condition to RBC granting the credit facility, the Company entered into a corporate guarantee and a general security agreement granting a first priority general security interest in all personal property of the Company, and a cash collateral agreement in the amount of $200,000. As a result of the termination of the UK contracts, in January 2021, RBC informed the Company that the second additional $1,650,000 revolving credit facility was cancelled and the cash collateral of $200,000 has been released as there were no amounts outstanding, while the first $500,000 revolving demand credit facility continues to remain in place.

In March 2020, the Company closed a non-brokered private placement, in two tranches, by issuing 7,035,000 units ("Units") at a price of $0.50 per Unit for gross proceeds of $3,517,500 (the "Financing"). Each Unit consists of one common share of the Company and one share purchase warrant (each a "Warrant"), with each Warrant entitling the holder to purchase one additional common share for a period of three years from the date of the issue at an exercise price of $0.65 per share. The Company has the right to accelerate the expiry date of the Warrants if, at any time, the volume weighted average price of the Company's common shares is equal to or greater than $0.85 for 20 consecutive trading days. The Company confirmed that the acceleration event has occurred as of August 20, 2020 and accordingly, chose to accelerate the expiry date of the Warrants to September 11, 2020. The Company chose to accelerate the expire date of the Warrants primarily because of 1) the significant growth the Company was experiencing quarter-over-quarter and was anticipating going into fiscal 2021 2) the result of the Company's billing cycle moving from every two weeks to every month and 3) the result of a slower than anticipated ramp-up due to COVID-19. The Company received proceeds of approximately $4.7 million from warrant exercises, representing a 98% take-up of the outstanding warrants.

In December 2020, the UK contracts in Lowestoft, Bury St. Edmonds and Cambridge were terminated and a NOI to appoint an administrator to create a moratorium over the Company in order to protect the assets of Lite Access UK was filed. In January 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators. The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

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, 2020. As part of the RBC credit facility, the Company entered into a cash collateral agreement in the amount of $200,000, which was subsequently released. 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 primarily to retain and provide future incentives to key employees and members of the management team. The Board of Directors determine the granting of stock options.

The Company's overall capital management strategy remains unchanged from the prior year.

TRANSACTIONS WITH RELATED PARTIES

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

Expressed in Canadian Dollars

Carlo Shimoon	CEO and Director
Jacob Gabriel Design and Consulting Inc.	Company controlled by Carlo Shimoon, CEO and Director
Chui Wong	CFO
David Toyoda	Director
Greg Smith	Director
Daniel Nanson	Director
Kevin Smith	Director
Steven King	Director
SACA Future Limited	Company controlled by Steven King, Director

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

Key Management Compensation

	2020	2019
	$	$
Short-term employee benefits and director fees (in wages and consulting)	720,029	1,020,457
Share-based payments	471,692	255,409
Total	**1,191,721**	**1,275,866**

SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada and the UK. The Company has two reporting segments: sale of micro-duct 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 September 30, 2020 consolidated 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 the U.K. and North America.

CRITICAL ACCOUNTING ESTIMATES 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.

SIGNIFICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 3 of the Company's September 30, 2020 audited consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

During the year ended September 30, 2020, the Company adopted IFRS 16 Leases – Refer to Note 4 of the Company's September 30, 2020 consolidated financial statements for a discussion of the impact.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments include: cash and cash equivalents, amounts receivable, holdbacks receivable, accounts payable and accrued liabilities, long-term debt, lease liabilities and accrued provision for onerous contracts. The carrying value of the financial instruments approximates their fair values. There were no assets or liabilities recorded at fair value as at September 30, 2020. Refer to Note 18 of the Company's September 30, 2020 consolidated 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 in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Refer to Liquidity and Capital Management Section above as well as Note 1 of the Company's September 30, 2020 consolidated 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 September 30, 2020, the Company had 59,176,431 common shares issued and outstanding. As of the date of this MD&A, the Company had 59,192,098 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, 2020, 7,203,600 warrants were exercised and no warrant is outstanding as of September 30, 2020 and the date of this MD&A.

During the year ended September 30, 2020, 1,367,999 options were exercised and 4,155,667 were outstanding. As at the date of this MD&A, there were 3,480,000 options outstanding.

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 a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing 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.

Labour 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 in order 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 in order 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 similar to 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 financings.

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 favourably, 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 a number of factors.

COVID-19

In March 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the Company's ability to raise new capital and continue operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Closing Details

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

"Carlo Shimoon"

____

Carlo Shimoon, CEO
Vancouver, Canada
January 28, 2021