MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022

INTRODUCTION

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated February 28, 2024, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended December 31, 2023 (the "interim financial statements") and other corporate filings of the Company, including the Company's audited consolidated financial statements for the years ended September 30, 2023. Except as otherwise disclosed, all financial information in this report is presented in Canadian dollars.

The Company's unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended December 31, 2023 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 three months ended December 31, 2023 and based on facts and circumstances as of February 28, 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, 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

Refer to the discussion on Company development in annual MD&A for the years ended September 31, 2023 and 2022 posted on Sedar (www.sedar.com)

Merger and Acquisition

As disclosed in the audited financial statements for the year ended September 31, 2023, on May 3, 2023, the Company signed 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").

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.

During the quarter ended December 31, 2023, 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 completion of the Transaction is subject to several 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.

Management Change

On November 17, 2023, the Company announced the departure of CEO and director Mike Plotnikoff, effective November 15, 2023. Mark Tommasi, a seasoned Board member with over 30 years of corporate-level experience assumed the CEO role on an interim basis to guide the transition team in finalizing the merger transaction with Ironman.

Financing Update

During the first quarter of fiscal 2023, 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. As at the quarter ended December 31, 2023 and the date of this MD&A, no debenture was converted to common shares.

FINANCIAL PERFORMANCE

Operating results for the three months ended December 31, 2023 and 2022

During the first quarter ended December 31, 2023, the Company continued the momentum of gross margin improvement and overhead costs reduction. Gross margin as a percentage of revenue increased to 14% for the quarter from 11%

Expressed in Canadian Dollars

reported for the first quarter of last year. Operating expenses went down 23% to $373,518 compared to $488,098 reported last year. Net loss decreased to $266,711, down 13% from $305,972 reported a year ago.

Significant variances include:

	Three Months Ended December 31		
	2023	2022	Variance
Revenue	910,843	1,845,593	(934,750)

Revenue of $910,843 was reported for the quarter, down $934,750 from the amount reported last year. The revenue decline 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.

	Three Months Ended December 31		
	2023	2022	Variance
Gross margin	127,509	195,254	(67,745)
	14%	11%	

Due to the lower revenue for the quarter, gross margin of $127,509 was reported for the quarter, compared to the amount of $195,254 reported for the same quarter of last year. Gross margin as a percentage of revenue improved to 14% from 11% one year ago. The higher gross margin was driven by the improvement the Company made in project selection, pricing optimization, contract execution and cost control.

Operating Expenses

	Three Months Ended December 31		
	2023	2022	Variance
Total operating expenses	373,518	488,098	(114,580)
Operating expenses as a percentage of total revenue	41%	26%	

Operating expenses for the quarter were $373,518, down 24% from $488,098 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. The decrease was primarily attributed to the absence of cooperation fees, lower fling fee, staff costs, office and supplies, and professional fees, partially offset by the higher amortization, insurance cost, share-based payments and travel expenses incurred for the quarter this year. Operating expenses as a percentage of revenue went up to 41% from 26% reported last year due to the lower revenue recognized this quarter.

Significant variances include:

	Three Months Ended December 31		
	2023	2022	Variance
Insurance	23,649	16,785	6,864

Insurance expenses increased primarily due to the higher premium costs after policy was renewed in October 2023.

Expressed in Canadian Dollars

	Three Months Ended December 31		
	2023	2022	Variance
Cooperation fees	-	24,718	(24,718)

For the first quarter of last year, cooperation fee of $24,718 was recorded, which was the final balance of the full amount of $400,000 pursuant to the cooperation agreement signed with Ironman on July 26, 2022.

	Three Months Ended December 31		
	2023	2022	Variance
Filing and listing fees	1,721	24,210	(22,489)

Filing and listing fees decreased to $1,721 from $24,210 reported for the first quarter of last year. The higher filing fee last year was primarily contributed by the application and filing fee for the private placement closed in November 2022.

	Three Months Ended December 31		
	2023	2022	Variance
Office and supplies	14,599	32,108	(17,509)

Office and supplies decreased to $14,599, down 53% compared to $32,108 in the first quarter of last year, which reflected the cost-cutting initiatives that the Company has taken to reduce the overhead expenses.

	Three Months Ended December 31		
	2023	2022	Variance
Professional fees	24,282	31,039	(6,757)

Professional Fees decreased by 22% to $24,282 compared to $31,039 reported for the first quarter of last year, due to the lower legal fee incurred this quarter.

	Three Months Ended December 31		
	2023	2022	Variance
Share-based payments	30,708	23,921	6,787

Non-cash share-based payments increased to $30,708 from $23,921 reported last year. The increase resulted from the share-based payment expenses recognized for RSUs and stock options granted.

	Three Months Ended December 31		
	2023	2022	Variance
Wages and consulting	213,517	259,766	(46,249)

Wages and consulting decreased 18% to $213,517 compared to $259,766 for the first quarter of last year. The decrease was mainly driven by the lower staff costs resulting from organization restructuring, partially offset by severance paid this quarter.

	Three Months Ended December 31		
	2023	2022	Variance
Interest expense	21,841	14,433	7,408

Expressed in Canadian Dollars

Interest expense for the quarter was $21,841, an increase of $7,408 or 51% from $14,433 in the first quarter last year. The increase was driven by the full quarter of interest expenses incurred this year, compared to the one month of interest for the same quarter of last year after the convertible debenture was issued in November 2022.

EBITDA

Below is the calculation of the EBITDA for the three months ended December 31, 2023 and 2022:

	Three Months Ended December 31	
	2023	**2022**
Net (loss) from continuing operations	(266,711)	(305,972)
Interest expense	21,841	13,224
Depreciation and amortization	54,256	57,849
Share-based payments	30,708	23,921
EBITDA*	**(159,906)**	**(210,978)**

**This is a non-GAAP financial measure*

EBITDA loss for the three months ended December 31, 2023 was $159,906, down $51,072 or 24% compared to EBITDA loss of $210,978 reported a year ago. The decrease of EBITDA loss reflected the Company's continuous efforts on gross margin improvement and expense control.

Consolidated Statements of Financial Position as at December 31, 2023 and September 30, 2023

Significant variances include:

Assets and Liabilities

	December 31, 2023	September 30, 2023	Variance
Cash and cash equivalents	555,165	562,165	(7,000)

The cash balance was slightly lower compared to the balance as at September 30, 2023 as the cash inflow from the operating activities decreased due to the lower revenue generated in the quarter.

	December 31, 2023	September 30, 2023	Variance
Amounts Receivable	683,747	1,048,108	(364,361)

Amounts receivable decreased 35% compared to the balance at the year end of fiscal 2023, primarily due to the lower revenue recognized during the quarter. As at December 31, 2023, the amount of $304,155 is past due. Of this amount, a total of $60,762 was past due over 90 days.

	December 31, 2023	September 30, 2023	Variance
Contract assets	756,782	303,774	453,008

Expressed in Canadian Dollars

Contract Assets increased by $453,008 primarily due to the construction work completed but were not billed to the customer based on the contract.

	December 31, 2023	September 30, 2023	Variance
Inventory	129,999	138,829	(8,830)

Inventory slightly decreased due to the materials purchased being installed for the projects.

	December 31, 2023	September 30, 2023	Variance
Property, plant and equipment	713,899	768,155	(54,256)

Property, plant, and equipment decreased 7% compared to the balance as at the year end, due to the amortization recorded during the quarter.

	December 31, 2023	September 30, 2023	Variance
Accounts payable and accrued liabilities	441,406	507,328	(65,923)

Accounts payable and accrued liabilities decreased 13% compared to the amount reported as at the year end of fiscal 2023 due to payments made during the quarter.

	December 31, 2023	September 30, 2023	Variance
Due to related parties	2,096,114	1,759,187	336,927

Pursuant to the cooperation agreement the Company signed with Ironman, during the quarter ended December 31, 2023, the total amount of $639,294 was billed to Lite Access for the construction services for multiple Lite Access projects. As at December 31, 2023, the amount of $2,096,114 was outstanding, which included the cooperation fee balance of $359,543.

	December 31, 2023	September 30, 2023	Variance
Lease liabilities (short and long-term)	150,918	169,712	(18,794)

The lease liability decreased by $18,794 to $150,918 as at December 31, 2023 due to the lease payments made during the quarter.

	December 31, 2023	September 30, 2023	Variance
Convertible debenture - debt component	491,521	489,168	2,353
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 7 of December 31, 2023 unaudited condensed interim consolidated financial statements). The convertible debentures were accounted for as a compound financial instrument with liability and equity components recognized. The increase was for the accreted interest during the quarter toward its face value. As at December 31, 2023, no convertible debenture was converted to common shares. The debentures are due on November 22, 2024.

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.

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	$	$	$	$
Revenue	910,843	894,878	720,437	1,540,711
Assets	2,871,182	2,852,621	3,008,200	3,779,462
Working Capital	(968,401)	(277,795)	71,498	480,919
Shareholders' Equity	(405,761)	(169,758)	199,768	663,081
Net Loss from continuing operations	(266,711)	(400,224)	(502,326)	(267,382)
Net Income (Loss) from discontinued operations	-	-	-	-
Basic Income (Loss) per Common Share - Continuing operations	(0.00)	(0.00)	(0.01)	(0.00)
Basic Income (Loss) per Common Share - Discontinued operations	-	-	-	-
Diluted Income (Loss) per Common Share - Discontinued operations	-	-	-	-
	December 31, 2022	**September 30, 2022**	**June 30, 2022 (Reclassified)**	**March 31, 2022 (Reclassified)**
	$	$	$	$
Revenue	1,845,593	2,673,406	1,395,713	361,380
Assets	4,064,245	3,609,811	3,997,361	5,308,465
Working Capital	631,784	(121,184)	313,503	136,793
Shareholders' Equity	868,401	598,150	1,056,757	1,746,434
Net Loss from continuing operations	(305,972)	(496,975)	(693,735)	(911,676)
Net Income (Loss) from discontinued operations	-	-	18,108	(156,113)
Basic Income (Loss) per Common Share - Continuing operations	(0.00)	(0.01)	(0.01)	(0.01)
Basic Income (Loss) per Common Share - Discontinued operations	-	-	(0.00)	(0.00)
Diluted Income (Loss) per Common Share - Discontinued operations	-	-	(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.

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 December 31, 2023, the Company had cash balance of $555,165 and working capital deficit of $968,401 (September 30, 2023: $277,795). The deficit included the convertible debenture due on November 22, 2024.
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 quarter ended December 31, 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 three months ended December 31, 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

Expressed in Canadian Dollars

Key Management Compensation

	Three Months Ended December 31, 2023 $	Three Months Ended December 31, 2022 $
Short-term employee benefits and director fees (in wages and consulting)	111,499	91,247
Share-based payments	15,512	14,353
Total	**127,011**	**105,600**

Other Related Party Transactions

(a) <u>Cooperation Agreement with Ironman</u>

As disclosed in Note 16 of the annual financial statements for the year ended September 30, 2023, 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.

During the three months ended December 31, 2023, Ironman provided the construction services for multiple Lite Access projects and a total amount of $639,294 (Three months ended December 31, 2022: $1,126,605) was billed to Lite Access. As at December 31, 2023, the amount of $1,736,570 (September 31, 2023: $1,393,874) was outstanding. No cooperation fees were earned during the quarter ended December 31, 2023 (Three months ended December 31, 2022: $24,718). As at December 31, 2023, cooperation fees $359,543 (inclusive of GST) were outstanding and reported under the related party payable.

(b) <u>Private Placement</u>

As disclosed in Note 14 of the annual financial statements for the year ended September 30, 2023, 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.

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 December 31, 2023, no debenture was converted and total interest of $7,500 was paid to the related party during the three months ended December 31, 2023 (Three months ended December 31, 2022: $2,500).

SEGMENTED INFORMATION

The Company's principal business locations and operations are in British Columbia, Canada. The Company has two reporting segments: product sales and fiber optic installations. The Company reports activities not directly attributable to an operating segment under Corporate. Refer to Note 13 of the Company's unaudited condensed interim consolidated financial statements for the three months ended December 31, 2023.

SUBSEQUENT EVENT

On February 26, 2024, a total of 1,400,000 RSUs previously issued were exercised and the total common shares after the issuance was 87,292,538.

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 17 of the Company's unaudited condensed interim consolidated financial statements for the three months ended December 31, 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 ACCOUNITNG PRONOUNCEMENTS

Refer to Note 4 of the Company's audited consolidated financial statements for the year ended September 30, 2023.

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 14 of the Company's unaudited condensed interim consolidated financial statements for the three ended months December 31, 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 unaudited condensed interim consolidated financial statements for the three months ended December 31, 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 December 31, 2023, the Company had 85,892,538 common shares issued and outstanding. On February 26, 2024, the Company issued 1,400,000 common shares for the RSUs exercised. As at the date of this MD&A, the total common shares increased to 87,292,538. The holders of common shares are entitled to one vote per share at meetings of the Company.

During the three months ended December 31, 2023, no options and warrants were exercised. As at December 31, 2023, and the date of this MD&A, 6,965,000 options and 8,929,350 warrants were outstanding. In February 2023, the Company adopted a securities-based compensation plan and granted a total of 3,250,000 restricted share units to certain officers, directors, and consultants. During the quarter ended December 31, 2023, 450,000 RSUs issued to the former CEO were cancelled. After the quarter end, 1,400,000 RSUs were exercised and a total of 1,400,000 RSUs were outstanding as at the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

RISK FACTORS

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

High Degree of Product Concentration

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

Competition

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

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

Market Uncertainty

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

Labor and Key Personnel

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

Growth Management and Market Development

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

Pricing Policies

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

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
February 28, 2024