51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

Nuran Wireless Inc. ("**Nuran**")
2150 Cyrille-Duquet Street
Quebec, QC G1N 2G3

Item 2 Date of Material Change

State the date of the material change.

Effective June 2, 2015

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

The News Release dated June 4, 2015 was disseminated by Stockwatch and Market News.

Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Nuran completed its acquisition of Nutaq Innovation Inc. ("Nutaq") by way of a three cornered amalgamation effective on June 2, 2015 pursuant to the terms of an amalgamation agreement dated as of March 11, 2015 (the "Amalgamation Agreement"), among Nutaq, Nuran and 9215174 Canada Inc., a wholly owned subsidiary of Nuran formed for the purpose of the amalgamation ("Newco"). Pursuant to the terms of the agreement, Nutaq amalgamated with Newco under the name "Nutaq Innovation Inc.", Nuran acquired all of the shares of the amalgamated company and the former shareholders of Nutaq received an aggregate 32,999,994 Nuran common shares based on a ratio of 2.749 Nuran common shares for each share of Nutaq issued and outstanding on the closing date. Following closing of the amalgamation, Nutaq became a wholly owned subsidiary of Nuran and Nuran operates the business of Nutaq as its principal business.

Item 5 Full Description of Material Change

Supplement the summary required under item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

See attached Schedule "A".

5.2 Disclosure for Restructuring Transactions

This item applies to a material change report filed in respect of the closing of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed. This item does not apply if, in respect of the transaction, your company sent an information circular to its securityholders or filed a prospectus or a securities exchange takeover bid circular.

Include the disclosure for each entity that resulted from the restructuring transaction, if your company has an interest in that entity, required by section 14.2 of Form 51-102F5. You may satisfy the requirement to include this disclosure by incorporating the information by reference to another document.

See attached Schedule “A”.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

N/A

Item 7 Omitted Information

State whether any information has been omitted on this basis that it is confidential information. In a separate letter to the applicable regulator or securities regulatory authority marked “Confidential” provide the reasons for your company’s omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

None

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Please contact Martin Bedard, Co-President of Nuran at 418-914-7484 or Patrice Rainville, Co-President of Nuran at 418-914-7484.

Item 9 Date of Report

June 12, 2015

Schedule "A"

Caution Relating to Forward Looking Statements

This Material Change Report contains forward-looking statements. Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "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. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Nuran Wireless Inc. ("Nuran" or the "Company") to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: expectations regarding the Company's ability to raise capital, the intention to expand the business and operations of the Company and use of working capital and proceeds of capital raises. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Material Change Report. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Company to obtain necessary financing; general economic conditions in Canada and globally; competition for, among other things, capital and skilled personnel; our ability to hire and retain qualified employees and key management personnel; possibility that government policies or laws may change; possible disruptive effects of organizational or personnel changes; technological change, new products and standards; risks related to acquisitions and international expansion; reliance on large customers; reliance on a limited number of suppliers; risks related to the Company's competition; and the Company's failure to adequately protect its intellectual property; interruption or failure of information technology systems. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this Material Change Report.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under "Risk Factors" in this Material Change Report. The forward-looking statements contained in this Material change report are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Material Change Report are made as of the date of this Material Change Report and the Company undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

General Matters

Any market data or industry forecasts used in this Material Change Report, unless otherwise specified, were obtained from publicly available sources. Although the Company believes these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified. Statistical information included in this Material Change Report and other data relating to the industry in which the Company intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

The Arrangement and Amalgamation Agreement

Nuran was incorporated under the *Business Corporations Act* (B.C.) on September 23, 2014 under the name "1014372 B.C. Ltd.". The head office of Nuran is located at 2150 Cyrille-Duquet Street Quebec, QC G1N 2G3. The Company's registered office is located at Suite 900 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

Nuran was formed in connection with a plan of arrangement among Nuran, 1014379 B.C. Ltd. and Bravura Ventures Corp. ("Bravura"). Under the terms of the Arrangement Agreement dated as of October 14, 2014 among the parties, as amended, the parties agreed to effect, among other things, the following steps subject to obtaining a final court order approving the Arrangement:

(a) Bravura will alter its share capital by creating an unlimited number of new common Shares, Class 1 Reorganization Shares and will attach rights and restrictions to the new common shares, and Class 1 Reorganization Shares.

(b) Each issued and outstanding common share will be exchanged with Bravura shareholders for one new common share, one Class 1 Reorganization Share and the common shares will be cancelled.

(c) All of the Class 1 Reorganization Shares will be transferred by Bravura shareholders to the Company in exchange for Company common shares on the basis of one (1) Company Share to be issued, as numerator, for every two (2) Class 1 Reorganization Shares outstanding on the effective date, as denominator.

(d) Bravura will redeem all of the Class 1 reorganization shares from the Company and will satisfy the redemption amount of such shares by the transfer to the Company of $45,000 of working capital.

(e) The Company agreed to complete a financing for minimum gross proceeds of $55,000.

The final court order approving the Arrangement was received on December 10, 2014 and the Arrangement was closed effective March 11, 2015. Following completion of the Arrangement, Nuran became a reporting issuer in Alberta and British Columbia and existing Bravura shareholders received 2,121,875 common shares of Nuran pursuant to the terms of the Arrangement and a further 5,350,000 common shares were issued to subscribers of a private placement of Nuran completed in connection with the Arrangement.

Nuran entered into an amalgamation agreement dated as of March 11, 2015 with Nutaq Innovation Inc. ("Nutaq"), and 9215174 Canada Inc. ("Newco"), a wholly owned subsidiary of Nuran formed for the purpose of the amalgamation, (the "Amalgamation Agreement") pursuant to which Nuran acquired all of the issued and outstanding shares of Nutaq in consideration of an aggregate 32,999,994 common shares of Nuran. Following the closing of the transaction, Nuran had 40,471,869 common shares issued and outstanding and former shareholders of Nutaq acquired 81.5% of the issued and outstanding common shares of Nuran. Upon the closing of the Amalgamation Agreement, the Company's board of directors appointed Martin Bedard and Patrice Rainville as directors of Nuran and Amalco and existing directors of Nuran other than Anthony Jackson resigned. Following closing of the Amalgamation Agreement Nuran operates the prior business of Nutaq through its sole operating subsidiary, Nutaq. See "Description of Business of Nutaq" below.

Description of Business of Nutaq

Business Overview

Nutaq is a leading provider of advanced digital signal processing ("DSP") solutions and wireless technologies, including software defined radios ("SDR"). The Company operates three complementary lines of business: (i) Wireless Network Products, (ii) Advanced Development Platforms ("ADP") and (iii) Engineering Services.

Nutaq's Wireless Network Products are small infrastructure wireless devices (e.g. base station radios), delivering better coverage at a lower installed cost with the most efficient power consumption among its peers. The Company's Wireless Network Products are focused primarily on:

- Low total cost ownership ("TCO") for developing countries and rural/low population density areas; and
- Small and easy to deploy private networks ("network in a box"), customizable for specific markets such as defense, utilities, industrial and machine-to-machine ("M2M").

Nutaq's ADP products and services focus primarily on the wireless, scientific/medical and defense markets providing its customers with the prototyping tools needed to:

- Execute on increasingly complex designs addressing the growing sophistication of markets such as 5G;
- Decrease new product design costs and time to market;
- Decrease product design risks; and
- Offer product differentiation through innovation.

Highlights

Leading DSP Capabilities and Best-of-Breed SDR Technology

- Significant domain expertise and intellectual property developed over 25 years of experience in the design, development and delivery of advanced DSP solutions and SDR platforms
- 24 engineers including 10 senior members with more than 15 years of experience, 2 with PhDs and 9 with a Master’s degree
- Recognized as an industry leader in applying DSP to the development of Wireless Network Products

Focused on Attractive End Markets and Geographic Regions

- Core DSP & SDR expertise being leveraged into high-growth wireless infrastructure markets, such as in-building and rural applications
- Low cost equipment provider for wireless infrastructure in the rapidly growing underserved markets in developing areas such as Latin America, Africa and Asia
- The product provides a network in a box with low power consumption

Established Partnerships with Industry Leaders

- Key partnerships with leading global DSP suppliers including Texas Instruments, Xilinx, Linear Technology, Agilent and The MathWorks
- Provides the Company with access to proprietary leading edge technologies and the ability to secure component supplies, ensuring superior quality and on-time delivery to customers

Global and Blue-Chip Customer Base

- The Company serves customers through a combination of direct sales and a worldwide network of 17 agents and distributors
- Established blue-chip customers in key vertical markets including wireless, scientific, defense aerospace and healthcare
- Nutaq is investing in establishing two sales offices in China, one in Africa and one in the US (California), responsible for Middle-/ Latin America

Nutaq is currently focused on three key markets, with wireless representing the Company’s fastest growing business segment.

Wireless	Scientific	Defense
Market • Femto/Picocell solution for in-building coverage • Micro-Marcocell solution for medium-large outdoor coverage in rural areas with no/little infrastructure • Private networks with VOIP/SIP services • Customizable radio access technologies for specialised vertical/niche markets **Company's Offering** • Low-cost 2.75G GSM/GPRS/EDGE SuperFemto indoor product and LiteCell outdoor product. • Complete Network in the box solution with VOIP/SIP • 3rd party TVWS NLOS backhaul integrated with a partner for offering voice and Internet services in remote areas with no infrastructure (using solar panels) • 4G LTE eNB base station prototype, making the latest wireless Internet technology affordable and customizable for vertical markets	**Market** • Radio astronomy, radar/sonar, LLRF (synchrotron, particle accelerator), Fusion Energy on plasma • Medical Imaging (e.g, PET scanner) • Large Scale systems and repeat business client base **Company's Offering** • Multi-Channel Input/Output systems with state-of-the-art DSP capabilities • Modified commercial off-the-shelf (COTS) solutions-packaged software solutions for businesses • Custom solutions for the most demanding scientific applications	**Market** • Intelligence, surveillance and reconnaissance applications • Network: UxV Datalink, DOA, Tactical radio • Radar/Sonar: Multi-channel solutions • Stable and high margin revenue stream **Company's Offering** • Multi-Channel RF systems with state-of-the-art SDR capabilities • Consulting and development

Material Trends, Commitments, Events and Uncertainties

See "Business Objectives and Milestones" below and the Management Discussion and Analysis in Appendix "B".

Narrative Description of the Business

Business Objectives and Milestones

The business objectives of the Company expected to be accomplished in the next 12 months are:

(1) increase its sales offices and expand its client base,
(2) complete continue R&D projects in the area of wireless products,
(3) complete integration of software on product, and
(4) support rollout deployment trial.

In order for the business objective of increasing its sales offices to be accomplished, the Company must: (i) find adequate office space in China, Africa and Europe; and (ii) attract sales directors in the respective country. The Company expects to locate adequate office space and attract sales directors in China by September, 2015. Expansion of Sales Directors and office space for Africa and Europe is expected to be completed by September, 2015.

In order to complete the objective of completing important R&D projects, the Company must: (i) complete the listing of common shares on the CSE; and (ii) raise additional funds to fund the R&D process. Additional financing will be required to finance the R&D projects.

In order to complete the objective of completing the integration of software layer, the Company intends to complete the acquisition of a license and the integration of this license. It is planned to be accomplished by August, 2015.

In order to complete the objective of completing the support rollout deployment trial, the Company intends to develop and produce units, to ship units for testing and integration by telecom Integrator and to hire new employee with expertise in the testing and integration phase.

Business Plan

History and Development

Nutaq was originally formed as a wholly owned subsidiary of Lyrtech Inc. ("Lyrtech"). Prior to November, 2011 the company operated in the area of design and delivery of advanced digital signal processing solutions. In November, 2011 Finexcorp Inc., a secured creditor of Lyrtech, acquired all of the assets including the shares of Nutaq (previously Lyrtech RD Inc.). Nutaq continued to operate the prior business of Lyrtech following the restructuring as a private company.

Nutaq has undergone restructuring since November, 2011. In the process the Company has streamlined its product portfolio. Verticals such as vision and RDDC were dropped while at the same time resources for engineering services were reduced. Further, sales efforts for GSM products were increased. The long lead time on OEM GSM sales, however, led to a delayed effect on sales. Nevertheless, the revenue development chart illustrated that the relative proportion of engineering services decreased in the past two years, while the proportion of GSM sales has increased. Thus, future revenues are expected to be driven by increased ADP and GSM sales. Additionally, as the long lead times of GSM sales are expected to show further positive effects on total GSM revenue and surpass the ADP sales in the short- to mid-term. The positive long term effect of shifting towards Wireless projects is also underpinned by the fact, that such customers are more likely to do repeat business. As such, constant revenue streams can be created without additional sales and/ or development costs.

The shift in strategy has led to an increase of material costs as percentage of income from 31% in 2012 to 36% 2014 as margins generated in the GSM sales are currently constrained by the OEM customers. However, as the overall market size for GSM products is exceedingly higher than the market for specialized engineering services, this development is not as concerning to the Company. As Nutaq is approaching customers outside of the OEM business, the margins on GSM sales are expected to increase again.

In 2013, Nutaq engaged in a project in Africa in which the company sold its own products and also purchased TVWS modules from a supplier and resold these to their customers. This had a negative effect on material costs, as the margin on the resold TVWS modules was low. In this regard, the 2013 gross margin cannot be considered a measure of the Company's performance.

Nutaq has reduced its R&D staff by 60%. In parallel the Company increased production staff. The foregoing resulted from the Company's shift away from engineering services towards finished goods such as Boards & Systems and GSM. The engineering services were traditionally provided by the R&D department, while the new products are produced in the production department. Thus, the new product mix required a shift in human resource allocation. Nevertheless, the reduction in R&D Staff does not capture the steep decrease in engineering services sales as the complexity of turnkey projects went up. In addition to R&D and production capacity shifts, sales staff was increased to penetrate the market of Boards & Systems as well as GSM.

Nutaq has reduced expenses by 40% (not taking into account any tax credit) over the past two years as part of the Company's restructuring. Major contributors were R&D expenses (-53%), sales expenses (-16%) and administration expenses (-54%). Other expenses were driven by office rents.

Bad Debt in 2013 has been due to a project in Africa in which the client did fulfil its contractual obligations. In fiscal 2012 and 2014 bad debt expense was very low. The increase of depreciation over the past two years has been largely due to the Mimo license.

Financial fees have been a major constraint on Nutaq's development. The liquidity squeezed by the company has been managed by factoring the majority of its invoices. However, this resulted in a massive increase in factoring fees. Further, as loans were never repaid, the interest on loans remained at the same level. In June 2014 these loans were partially converted to equity and the remaining loans were converted into lower interest loans.

Nutaq's cash flow was positive in the past year, however, a substantial decrease in profitability has been experienced. This is largely due to increased material costs and financial expenses related to factoring as well as loans. In 2011 the company was deleveraged and payable were decreased by approx. \$7.1M. However, \$5M of the payables were converted into long term loans and \$2.1M were cut in the restructuring process.

In 2012 the company increased its long term loans by approximately \$1.8M. As the R&D expenses for creating the wireless products were capital intensive, the owners decided to invest further into Nutaq in form of loans. In 2014 approx. \$3.9M of these loans were converted to equity leaving Nutaq with \$5.4M in long-term loans. These loans were restructured and now have lower interest attached to them. Thus, the Company's deleveraged position with less financial costs is expected to help future development and stabilize P&L performance further.

As part of the cash management, inventory has been closely monitored. In this regard, it can inventory turnover has increased by a factor of 4 in the last two years. Accordingly, Nutaq has achieved lower costs of inventory and made use of its resources more efficiently.

Nutaq's strategic shift towards standardized wireless GSM products has a dramatic impact on the company's future performance. As such, the company's revenue mix will shift away from research intensive ADP and engineering sales towards GSM sales. These sales will be achieved by utilizing not only the current OEM customer as sales outlet but also increasing Nutaq's sales force and opening sales offices in Africa, USA (responsible for Middle-/ Latin America) and Asia.

Business Overview

With the proliferation of digital devices, DSP and wireless technologies have become essential. Devices such as smart phones, tablets, digital cameras, intelligent sensors and state-of-the-art medical and industrial equipment are only a few examples of the sophisticated devices made possible through today's high-speed DSP technologies. Moreover, those sophisticated devices are becoming mobile and connected to the Internet. In this regard, the annual throughput of mobile data traffic is expected to increase from 58 Exabytes in 2013 to nearly 335 Exabytes in 2020, representing a 28% CAGR over the 7 year old period between 2013 and 2020 (Figure 2).

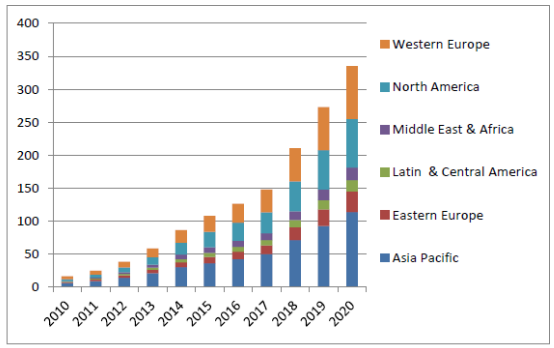

Figure 2: Annual Global throughput of Mobile Network Data Traffic by Region; 2010 – 2020 in Exabytes
(Source: Signals and Systems Market Intelligence)

This increasing digital trend is expected to create strong demand for DSP-based solutions and wireless technologies in the foreseeable future. Nutaq's products and services allow customers to quickly adapt to the rapidly changing technologies by decreasing time to market and bringing innovative Wireless Network Products to high-growth markets.

The Company has three complementary lines of business that leverage the core expertise and intellectual property developed in DSP technologies. Nutaq's strategic focus is in providing scalable wireless products to small to large operators and OEM's. This is complemented by ADP and engineering services which also focus on wireless products and ensure that Nutaq stays on the forefront of market developments.

Wireless Network Products

Figure 3: Nutaq Segments

Overview

Until 2012, the Wireless Product division of the Company was focused on original design manufacturer ("ODM") wireless products targeting system integrators. In 2012, Nutaq decided to start migrating towards small-medium operators and original equipment manufacturer ("OEM") Wireless Network Products targeting the needs of larger operators. This strategic reorientation to a product based company with a scaleable business model has proven to consistently produce high growth while increasing profitability. Sales have increased from C$0.1M in 2012 and C$1.5M in 2013. This represents 40% of total revenue.

The segment provides proprietary off-the-shelf products to wireless operators and develops custom solutions that meet specific customer needs in niche wireless markets. It products consist of low-cost GSM femtocell and microcell base stations and the network elements required for enabling small and medium network deployments. Nutaq's products are designed to address areas where wireless coverage is weak or nonexistent such as low-population density rural areas, roadside coverage and developing countries where the existing infrastructure cannot address the ever-rising demand for wireless access. Key applications for Nutaq's wireless network products include rural areas, in-building, stadiums, ships and aircraft. Nutaq provides small-medium sized operators with products that provide the most compelling coverage, at the lowest installment cost, while consuming the least amount of power, as compared to any competitors in this market. For example, while Nutaq's two 5W-TRX BTS is rated at 52W, VNL Rural BTS is rated at 75W (two 10W-TRX), and Ericsson two 5W-TRX solution is rated at 145W.

Products

Within the GSM landscape, there are two primary markets within which Nutaq's products compete; indoor GSM femto/picocells and outdoor GSM micro/macro-cells. Their optimized GSM design can be packaged as a low cost enterprise solution or an outdoor tower-mount base station. The performance optimized design meets the technical requirements of a compliant 3GPP small cell in a cost efficient package that small operators and developing countries can afford. It addition to standard GSM voice/SMS services, it supports VOIP/SIP, as well as data for email/Internet/M2M via the GPRS (General packet radio service) and EDGE (Enhanced Data rates for GSM Evolution) standards.

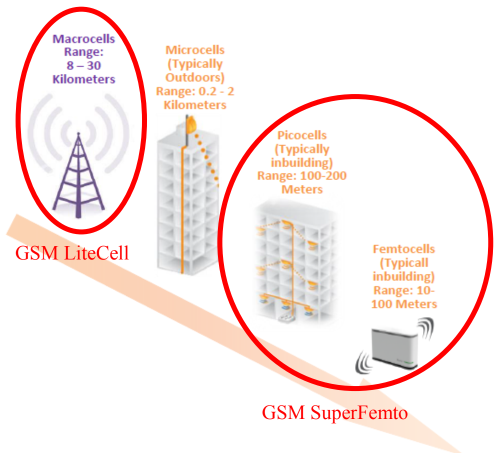

Figure 4: Product Categorization
(Source: SNL Research, 2014)

Products	Description	Applications
GSM LiteCell 	• **The world's most affordable, lowest power consumption, and easiest to deploy 2.75G GSM/GPRS/EDGE mico/macro-BTS** • **Designed to reach the globe's next billion mobile subscribers, the LiteCell is a solution for low density, low income, or remote population**	• **Rural coverage, low population density, third world / developing countries** • **Roadside and remote sites** • **Private Networks with VOIP/SIP services** • **Customizable radio access technologies for specialised vertical/niche markets (e.g. M2M, military)**
GSM-EDGE Superfemto 	• **Low-cost High-capacity 2.75G GSM/GPRS/EDGE indoor product** • **Small-cell wireless market keeps demanding better cost-efficiency and increased performance and functionalities. Nutaq's state-of-the-art solution meets market demands by delivering the output power and capacity of a pico BTS at the cost and power consumption of a femto BTS**	• **Standard 2.75G GSM/EDGE, femtocell or picocell** • **Private network with custom features** • **Standard GSM network or Voice over IP (VOIP), PBX applications**

Unlike large equipment providers, Nutaq's product offering can be delivered economically to small operators with a relatively small subscriber base.

Wireless Network Products

Overview

GSM is still the most ubiquitous cellular technology, not only in cities where it has been available for many years, but more and more in the remote locations where low average revenue per user (ARPU) has been a challenge. Nutaq's GSM/EDGE solutions branded as NuRAN GSM/EDGE Superfemto and LiteCell products dramatically decrease both CAPEX and OPEX, turning even the most challenging sites into profitable deployments.

To further minimize CAPEX/OPEX, Nutaq also offers a low power/low cost wireless backhaul to offer a complete voice&data ecosystem that can be deployed in remote areas where no infrastructure is available. This backhaul product is the results of a partnership with a local equipment vendor. It can operate in the microwave RF band, the unlicensed WIFI band as well as the TV spectrum, known as "TV White Space", an emerging technology promoted by Google and Microsoft.

Moreover the Company's SDR expertise and experience with emerging wireless standards position Nutaq at the forefront of having an LTE eNB product. At the moment the company has a complete eNB prototype, ready to be productized for volume production. As a complement to the GSM product, the LTE solution is a low cost LTE Network in the Box solution for low TCO markets, with the advantage of supporting high data rates and smartphones in areas that can afford it, or support M2M (Machine to Machine, also called Internet of Things).

GSM LiteCell

The LiteCell is the lowest power consumption and most affordable macro GSM solution available today, making it particularly well suited for low population density areas and for developing countries. With a power consumption of 52 W, it is very well suited for solar power energy, making it possible to build sites at very low cost where only minimal infrastructure exists. Combined with NuRAN Point-To-Point RF backhaul product also powered from solar energy, operators have the possibility to extend their network coverage and reach areas where no infrastructure at all exists, a business case not previously profitable.

The product is compliant with commercial 3rd party handsets and supports the standard 3GPP GSM network topologies:

- NuRAN Base Station RF subsystem connected with 3rd party GSM BS Controllers
- NuRAN Base Station Subsystem (BSS) connected with a 3rd party GSM core network
- NuRAN Network-in-the-Box (NitB) product directly interfacing with PBX and Internet service providers.

All GSM products support voice, SMS, email/Internet services via GPRS/EDGE, as well as VOIP/SIP functionality. The products have been deployed worldwide and support various RF configurations (900/1800/850/1900 MHz).

Customers

Nutaq sells most of its products to a well-established OEM with a focus on large operators (as depicted below). The OEM in turn uses its own software to complement the Nutaq hardware and sells it to its customers, which are typically large operators with their own core network solution (from large Tier1 equipment vendors).

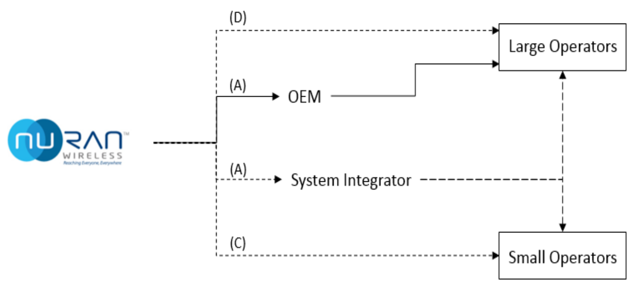

Figure 14: Nutaq's Sales Channels
(Source: Nutaq)

However, as the OEM is focused on large operators, a large portion of the market has not been captured (indirectly) by Nutaq. Further, the OEM has considerable negotiation power and reduces the margin that Nutaq can achieve. In this regard, Nutaq has developed its own software allowing the company to increase the number of sales channels, broaden its customer base, reduce dependency on the OEM and offer a profitable solution to areas that are not served by the above operators. Therefore, in addition to the solution offered by the above OEM, Nutaq offers a complete Network in the box solution that does not rely on 3rd party core network solution. It can be deployed by operators as a turnkey solution with very minimal investment in areas where the ARPU would not justify the investment of a large network infrastructure.

In this regard, direct sales through sales channels (D) and (C) becomes available in addition to the OEM sale channels. With regards to direct sales to large operators, Nutaq's competitive edge derives from lower prices as the product offering does not differ in terms of quality to the OEM's product. With regards to small operators, the low total cost of ownership (low product and deployment costs, no large data warehouse required, low energy consumption, low maintenance costs) provides the main selling point. However, some small and/or large operators require that suppliers are approved. This approval process can take a long time and requires a lot of resources. Further, not all small and large operators do system integration themselves. In this regard, system integrators, as depicted in sales channel (A), become a viable alternative to the OEM business, as margins are higher. Additionally, system integrators open the doors to small and large operators, which would otherwise not be approachable. In order to gain better access to these channels Nutaq is currently investing in sales by employing new sales people in Asia, Africa and the US (responsible for Middle-/ Latin America), which were taken over from one of Nutaq's competitors.

GSM Superfemto Product

The Superfemto product is a GSM picocell base station. Picocells are typically utilized as low power compact base stations, used in enterprise or public indoor areas. However, in certain scenarios picocells may even be deployed outdoors. The self-optimizing features of newer picocells, borrowed from femtocell technology, minimize the amount of specialist knowledge required to introduce this technology to less sophisticated customers. The Superfemto is the lowest cost GSM solution on the market today. Designed for indoor applications, it can be used for private networks/PBX, offshore deployments in ships, and in-building coverage to extend traditional macro cell coverage.

Overview

- Nutaq's Advanced Development Platforms ("ADP") segment develops and sells proprietary development platform products for both wireless and scientific applications. ADP was the original service offering of the Company and continues to be a steady and growing revenue source.

- Nutaq's proprietary development platforms offer customers the necessary prototyping tools to significantly reduce new product development costs, while considerably shortening the time to market with new products.

- Within the wireless market, the Company's ADP technological core competencies include; cognitive radio, software defined radio, unmanned ground vehicle, massive MIMO, MU MIMO, small cells, wireless spectrum analysis, TV white space and 5G.

- Within the scientific market, the Company's ADP technological core competencies include; linear accelerator (LLRF and BPM), high energy physics, stellerator, radio astronomy, high performance computing and medical imaging (cytometry, PET, MRI).

- Revenue for the ADP segment was $2.2 million for fiscal year ended October 31st 2013, which accounted for 34% of Nutaq's revenue for the year.

Nutaq's ADP segment competes with other developers of software defined radios, as well as producers of scientific testing equipment and software. Within the SDR market, the Company's main competitors are; the Ettus Division of National Instruments, Bittware, Beecube and Spectrum Signal Processing. Within the scientific R&D market, the Company's main competitors are; National Instruments, NAT, CAEN and Signatec.

Products

Systems

Nutaq's SDR (software defined radio) and DAQ (data acquisition and storage) system solutions provide mixed-signal and FPGA-based digital signal processing hardware solutions for a broad range of applications in the wireless and scientific markets.

In addition to the hardware platforms, Nutaq also offers a board software development kit (BSDK), as well as a Model-Based Design Kit (MBDK), These development kits are integrated with MATLAB/Simulink and Xilinx System Generator for rapid prototyping and significantly accelerating transition from concepts to real world implementations.

Nutaq's Advanced Development Platforms has a leading edge position on the market with its 5G Wireless testbed and DAQ systems. This product line provides not only sustainable growing revenue stream but unveil the market trends and innovation in its focused areas. This positioning is crucial to Nutaq's especially with its connections to industry majors like Huawei, Alcatel-Lucent, Samsung, Ericsson, NSN as well as operators and academic institutions

Being at the forefront of technology innovation in the wireless market, this position provides excellent market trends and paves the way of Nutaq's product evolution and innovation in 5G and more.

Digitizer – Systems

Data acquisition systems (DAQ, DAS or Digitizers) typically convert analog waveforms into digital values for processing. They includes advanced analog to digital converters that enables the process of sampling signals that measure real world physical conditions and converts the resulting samples into digital numeric values that can be manipulated by a computer or digital signal processor.

The digitizer family combines the processing power of optional embedded Intel processor with the Perseus FPGA semiconductor(s) and various FMC-compliant I/O modules capable to acquire or generate signals for a wide variety of applications, such as spectrometer and radiation detectors, sonar systems, medical imaging (e.g., PET scanner, ultrasounds), particle accelerators and nuclear physics.

The product line meets the requirements of the low cost portable applications or the most advanced large systems. Based on an industrial standards known as µTCA/AMC, the family is fully scalable, from a small table top box with a single processor to numerous 19-inch chassis with limitless channel expansion possibilities, allowing the customer to start with a proof of concept demonstration unit and scale up to a full system for commercial deployment.
Depending on the applications, the system is tailored and packaged by integrating the selected processors cards and I/O modules, such as:

- Low cost and compact high channel density with 16 or 32 phase-aligned analog input channels (125 MSPS, 14- bits low noise analog-to-digital converter).
- Lowest cost per channel in the industry 8/16 channel output card (1000 MSPS, 16-bits digital-to-analog converter) equipped with an onboard or external clock capable of scaling to phase-coherent multiboard applications.
- Designed for high speed applications, I/O card that combines 2 input and output high speed channels (dual 14-bit, 250 MSPS ADC and dual 16-bit, 1 GSPS DAC), equipped with an onboard or external clock capable of scaling to phase-coherent multi-board applications.

Software Defined Radio Systems

SDR (Software Defined Radio) is a radio communication system where components that have been typically implemented in hardware are instead implemented by means of software, typically on embedded systems. The SDR concept, whit today's available technologies, allows technology providers to increase the profitability of their wireless products through multiple ways because of this evolved software approach (in the field upgrades, support of multiple functionalities with the same hardware, reuse of intellectual property developed, etc.).

As opposed to dedicated, cost optimized high volume mobile radio handsets, Nutaq's Software Defined Radio (SDR) products have been designed for radio communication applications that requires flexibility, versatility, processing power and scalability, such as cognitive radio systems, spectrum sensing, intelligence-surveillance-reconnaissance (ISR), proprietary communication systems (e.g., military deployments). They are also used for advanced research and innovation, rapid prototyping and deployments of emerging technologies such as LTE/LTE-A/5G cellular, Internet of things/M2M, Vehicular communications (VANET), Ad-Hoc Network (MANET), etc.

The SDR family combines the scalable processing power of the Perseus with an optional embedded Intel processor(s) and with FMC-compliant RF modules that have been designed to support high data rate, on-the-fly tunable bandwidth and high dynamic range capable to handle low power/distant signals. The RF carrier can cover the most popular unlicensed/licensed RF bands used by cellular, WIFI, military, and TV applications. The card is stackable to support multiple antenna configurations (1x1, 2x2, NxN MIMO).

Based on a the same µTCA/AMC industrial standards as the digitizer system, the SDR family is fully scalable, from a small table top box with a single processor and single RF to numerous 19-inch chassis with limitless RF channel expansion possibilities, allowing the customer to start with a proof of concept demonstration unit and scale up to a full system for commercial deployments.

In addition to its MBDK, Nutaq's SDR also offers a proprietary "OFDM reference design". Many customers use the reference design as a starting point for their own applications, significantly accelerating the development cycle. Finally, Nutaq also provides a "GNU Radio" plug-in, which makes the Nutaq platform compatible with this popular toolkit.

Selected by the CorteXlab at INSA-Lyon, several Nutaq SDR nodes are now available to researchers around the world as "an environment to research and develop for the Internet of things". Moreover, the Nutaq' PicoSDR system has been selected as the next generation defense wireless development system of choice by large defense contractors worldwide such as Mitre, Northrop Grumman, AirForce Laboratory, ATK, Rockwell Collins, SPAWAR, Booz Allen Hamilton, DSO Laboratory (Singapore). The Nutaq's proven design flow accelerating development and deployment cycle combined to system's performance, provides us with good repeat business with these clients.

In addition to its large distinguish client's base, Nutaq is also contributing and involved into major IP development program in Canada with academic institution and industry leaders. One example is the SDR Aerospace project called AVIO-505 which consists in developing a SDR technology that will aggregate four (4) different aircraft radio systems onto one single device. The objective is to decrease radios and antennas real estate and weight onto commercial aircraft. This program is led by the CRIAQ (Consortium of Research and Innovation in Aerospace, Quebec) to which Nutaq is a member.

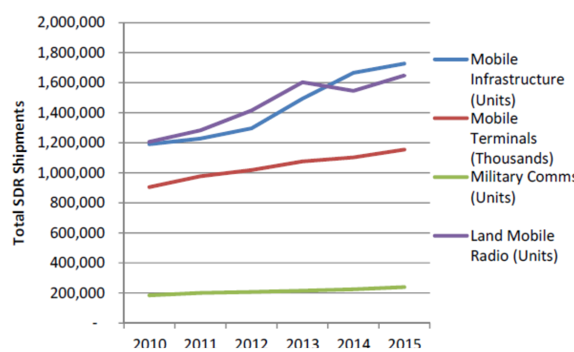

Figure 19: Global SDR shipments
(Source: Mobile Experts, LLC, 2011)

For this AVIO-505 program, Nutaq teams up with Bombardier, MacDonald Dettwiller Associates, Marinvent and two academic institutions. The IP resulting from this program will be owned by the partners.

Over six (6) IP creation program are currently active with its academic and technology partners in Canada.

Engineering Services

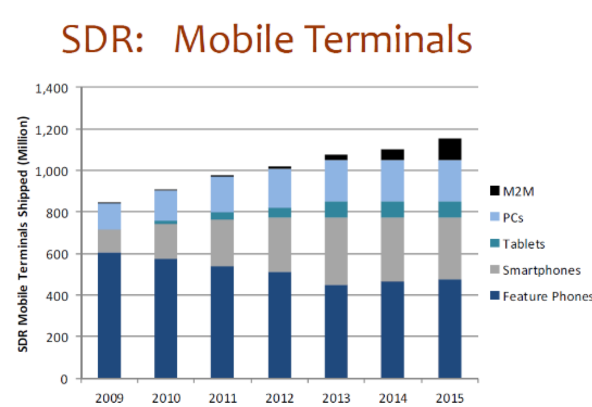

Figure 20: Mobile Terminals
(Source: Mobile Experts, LLC, 2011)

Overview

Nutaq's Engineering Services segment leverages the Company's strong design, prototyping and manufacturing capabilities, including its portfolio of intellectual property and substantial know-how. In addition to providing a high-margin and incremental revenue stream, it exposes the Company to the latest technology advancements in DSP.

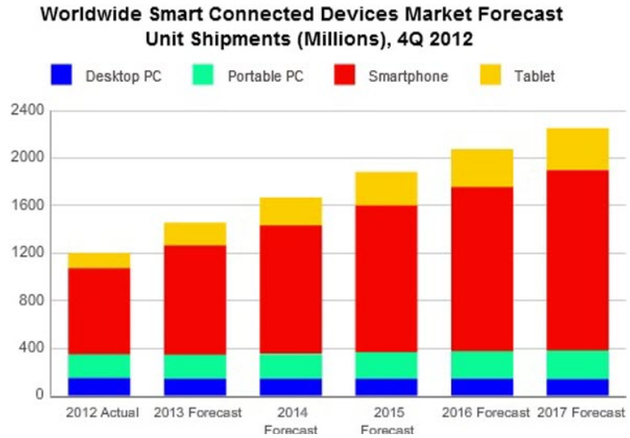

Figure 21: Worldwide smart connected devices market forecast (Units in millions)
(Source: Mobile Experts, LLC, 2011)

Nutaq offers a wide range of services to assist its customers with their best practices new product introductions (NPI). From custom design and verification testing through agency certification, Nutaq has the experience to function as an extension of their clients' design and compliance engineering team. Nutaq's engineering teams are all led by seasoned project managers capable of leadership, flexibility and imagination. With over 25 years of experience, Nutaq has developed expertise across multiple fields, differentiating its product development teams from its competitors, be it for specialized, short-term critical resources or full end-to-end turnkey services. Nutaq reduces risk and cost by concentrating on its current product line request for hardware and software customization and added features so become a natural fit for its clients to accelerate time to market.

Revenue for the segment was $1.1 million for fiscal year ended October 31, 2013, which accounted for 17% of Nutaq's revenue for the year. Major contributors to this revenue stream comes from current Nutaq's ADP and GSM product requesting customization as well as referrals from our partners such as Texas Instruments and Xilinx being established in their excellence design house program partners.

The Engineering Services segment competes primarily with the in-house R&D departments of potential customers, more so than with other companies that provide similar services. Each potential client is faced with the decision of whether to hire an external engineering team or to perform their own engineering. Nutaq's deep sector knowledge and highly specialized technical capabilities and experience uniquely position Nutaq as the preferred option to provide customers with engineering services.

While engineering services has been a steady earnings contributor over the years, the relative contribution from this segment is expected to decline as more resources are allocated to the development and implementation of Nutaq's proprietary products, leaving fewer resources available to serve third party customers. However, Nutaq will always maintain a base level of engineering services in order to stay ahead of new technology development in the sector.

Service

Nutaq's involvement in product development projects can be tailored to a clients need, involving any combination of the following:

- PCB Design
- Embedded Software
- DSP Software/ Programming
- FPGA Design
- RF Design
- SW Telecom Protocol
- 3 GPP 2G and 4G cellular standards
- TV White Space
- Wireless Network Planning and Deployments
- ATCA/ FMC/ AMC Design and customization
- NPI Process
- Multi-Chanel (ADC/DAC)
- Mechanical Design

- Opto-electronic/ Opto-mechanical Design
- Waveform Development
- Software Defined Radios
- Cognitive Radio Systems
- MIMO and Massive MIMO

Nutaq's Engineering Services teams also offer modified Commercial Off-the-Shelf (COTS) Solutions, wherein they tailor their solutions to fit the needs of a customer. Nutaq's custom solutions can satisfy the most demanding scientific applications.

Customers

The Engineering Services segment currently has 19 customers in both the wireless and scientific fields. The Company continues to expand its capabilities significantly in the area of wireless access radio infrastructure.

Engineering Services' largest customers include: Airvana, DSO Laboratory in Singapore, National Research Council, SPAWAR, Sogang University in South Korea, Touch Tunes Digital Jokebox and LGS Bell Labs.

Competitive Conditions and Position

See above, and "Risk Factors - Competition"

Selected Consolidated Financial Information

Annual Information

The following sets forth summary consolidated financial information for the periods indicated as is derived from Nutaq's audited financial statements for the year ended October 31, 2014, the audited financial statements for the year ended October 31, 2013 and the unaudited financial statements for the Company for the year ended October 31, 2012.

	Year ended October 31, 2014 (Audited) ($)	**Year Ended October 31, 2013 (Restated and Audited) ($)**	**Year Ended October 31, 2012 (Restated and Unaudited) ($)**
Total Revenues	5,593,430	6,404,880	5,338,236
General and Administrative expenses	1,812,831	2,542,351	3,639,986
Net income (loss)	(3,488,639)	(2,625,283)	(6,286,200)
Number of Shares	10,424,696	143	143
Diluted loss/ Share	(0.45)	(0.42)	(1.01)
Total assets	4,685,502	7,171,793	4,291,708
Current liabilities	4,358,686	4,953,313	1,270,163
Total liabilities	9,703,264	14,221,008	8,715,640
Share capital	8,070,407	2,550,315	2,550,315
Retained earnings (deficit)	(13,088,169)	(9,599,530)	(6,974,247)
Cash flow from (used in) operations	535,144	(2,905,766)	(2,454,486)

Dividends

Dividends can be declared by our board of directors when deemed appropriate from time to time. To date, we have not declared any dividends on our Common Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future. The payment of dividends in the future will depend on our earnings and financial condition and such other factors as our Board may consider appropriate.

Foreign GAAP

Not applicable.

Management Discussion and Analysis

Management's discussion and analysis of our financial statements is included in this Material Change Report as Appendix "B".

Market for Securities

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The Company has applied to list its securities on the Canadian Securities Exchange.

Consolidated Capitalization

The following table summarizes our consolidated capitalization of the date of this Material Change Report:

Designation of Security	Number of Shares Authorized	Number of Shares Issued and Outstanding
Common Shares	Unlimited	40,471,869

Summary of prior issuances:

- On closing of the Arrangement the Company issued 2,121,875 common shares to former shareholders of Bravura pursuant to the Arrangement.

- On closing of the Arrangement the Company issued 5,350,000 common shares at a price of $0.02 per share pursuant to a private placement completed in connection with the closing of the Arrangement for proceeds of $107,000.

- On closing of the Amalgamation Agreement the Company issued 32,999,994 common shares in consideration of all of the issued and outstanding shares of Nutaq pursuant to the terms of the Amalgamation Agreement.

For further details about our issued securities, see "Prior Sales".

Options to Purchase Securities

As of the date of this Material Change Report, there are no options to purchase common shares in our authorized capital.

Description of Securities

Authorized Capital

The Company's authorized capital consists of an unlimited number of Common Shares without par value. Holders of common shares are entitled to vote at all meetings of shareholders. There are no dividend rights, pre-emptive rights, redemption or retraction rights, or sinking fund provisions attached to the common shares. The provisions in the Company's Articles permit the company, by resolution of the directors, to: (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established; (3) if the Company is authorized to issue shares of a class of shares with par value: decrease the par value of those shares; or if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (4) subdivide all or any of its unissued or fully paid issued shares by way of a stock dividend; (5) change all or any of its unissued, or fully paid issued, shares with a par value into shares without par value or any of its unissued shares without par value into shares with par value; (6) alter the identifying name of any of its shares; or (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act (British Columbia).

Escrowed Securities

As of the date of this Material Change Report, the Company has the following escrowed securities which were issued in the Amalgamation Agreement listed above:

Name and Place of Residence of Shareholder	**Number of Escrowed Shares***	**Percentage of Class[(2)]**
Philip Kirsh, New York, NY	5,139,963	12.7%
Martin Bedard, Quebec, Canada	24,374,400[(1)]	60.2%[(1)]
Patrice Rainville, Quebec, Canada	24,374,400[(1)]	60.2%[(1)]
TOTAL:	29,514,363	72.9%

Notes:
*The escrowed shares will be released to the holders over a 3 year period pursuant to Canadian Securities Administrators' National Policy 46-201 upon listing on a recognized stock exchange.
[(1)]Patrice Rainville and Martin Bedard each share voting and dispositive power over the common shares of the Company held in escrow and registered in the name of the following entities: Bleu, Gestion & Investissements Inc., 9316-8276 Quebec Inc., 9312-9377 Quebec Inc. 9317-8713, Quebec Inc. 9317-7996, Quebec Inc., 9169067 Canada Inc., 9168974 Canada Inc., 9169091 Canada Inc. 9020829 Canada Inc.
[(2)]Based on an issued and outstanding amount of 40,471,869.

Principal Shareholders

The following table provides information regarding the principal shareholders of the Company as of the date of this Material Change Report:

Name and Place of Residence of Shareholder	**Number of Company Common Shares**	**Number of Options**	**Number of Warrants**	**Total Number of Securities**	**Percentage of Total Issued and Outstanding Company Securities[(2)]**
Philip Kirsh NY, USA	5,139,963	Nil	Nil	Nil	12.7%
Martin Bedard Quebec, Canada	24,374,400	Nil	Nil	Nil	60.2%[(1)]
Patrice Rainville Quebec, Canada	24,374,400	Nil	Nil	Nil	60.2%[(1)]

[(1)]Patrice Rainville and Martin Bedard each share voting and dispositive power over the common shares of the Company held in escrow and registered in the name of the following entities: Bleu, Gestion & Investissements Inc., 9316-8276 Quebec Inc., 9312-9377 Quebec Inc. 9317-8713, Quebec Inc. 9317-7996, Quebec Inc., 9169067 Canada Inc., 9168974 Canada Inc., 9169091 Canada Inc. and 9020829 Canada Inc.
[(2)]Based on an issued and outstanding amount of 40,471,869.

Directors and Officers

The following table sets out the names of current directors and executive officers, their effective date of appointment as our directors or executive officers, and the number of common shares in our authorized capital which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Material Change Report.

Name, Municipality of Residence and Position Held	Principal Occupation for the Past Five Years	Date First Appointed as a Director/Officer	Number of Common Shares Owned or Controlled as of the closing date of the Amalgamation Agreement
Martin Bedard, Quebec, Quebec *Co-President, Co-CEO, CFO, Director*	Co-President and Co-CEO of Nutaq	June 2, 2015	24,374,400[(1)]
Patrice Rainville Montreal, Quebec Co-President, *Co-CEO, Corporate Secretary, Director*	Co-President and Co-CEO of Nutaq	June 2, 2015	24,374,400[(1)]
Anthony Jackson Director	Principal of BridgeMark Financial Corp.	September 23, 2014	Nil

[(1)]Patrice Rainville and Martin Bedard each share voting and dispositive power over the common shares of the Company held in escrow and registered in the name of the following entities: Bleu, Gestion & Investissements Inc.**,** 9316-8276 Quebec Inc., 9312-9377 Quebec Inc. 9317-8713, Quebec Inc. 9317-7996, Quebec Inc., 9169067 Canada Inc., 9168974 Canada Inc., 9169091 Canada Inc. and 9020829 Canada Inc.

Martin Bedard and **Patrice Rainville**, Co-Presidents and Directors of the Company, are the shareholders. Both directors have 15 years of experience in business and management. Their company took over the operations of Nutaq in 2011. Martin is an attorney and holds an LL.B from Sherbrooke University. He is also a member of the Quebec Bar Association. Patrice studied at University Laval law school and in Economics in Quebec City.

Francis Letourneau - Vice President, Sales and Marketing

Francis joined Nutaq in 2003 and is currently responsible for the Company's sales and marketing functions, including implementing the Company's wireless product strategy and positioning the Company as a market leader for SDRs in the wireless sector. Francis was also involved in the Company's rebranding to Nutaq Innovation following the acquisition of Lyrtech, the predecessor company to Nutaq and building the Company's current sales and marketing team. Prior to his role as Vice President of Sales and Marketing, Francis held various other roles at Nutaq including, Business Development Manager. Francis holds a BA from Laval University and is a registered CMA.

Rene Lamontagne - Vice President, Research and Development (R&D)

Rene joined Nutaq in October 2012 as a Wireless System Consultant and is currently leading the Company's R&D activities, including; defining all R&D programs, product development plans and product roadmap strategy. Prior to joining Nutaq, Rene was Principal Member of Advanced Technology at Blackberry and prior to that Vice President of Firmware Engineering for Soma Networks, ultimately founding and leading the Ottawa office for Soma Networks. Previous experience includes engineering roles at Nortel Networks and the Department of National Defence. Rene holds a B.Sc. and a M.Sc. in Electrical Engineering from Laval University.

Thierry Cases - Vice President, Operations

Thierry joined Nutaq in 2001 and is currently Vice President of Operations, overseeing purchasing, logistics, customer service, technical support and production functions at the Company. In addition, Thierry serves as the main interface between the Operations/R&D and the Accounting/Finance departments. Thierry has held several positions at Nutaq over the past 12 years including, Product Division Director, Special Project Manager, Software Product and Project Manager and Technical Support Manager. Thierry holds a B.Sc. in Electrical Engineering from Laval University and is pursuing an MBA at Laval University.

Anthony Jackson

Mr. Jackson is a Principal of BridgeMark Financial Corp., which provides corporate compliance, financial advisory, and financial reporting activities to public and private companies. Mr. Jackson also founded Jackson & Company, Chartered Accountants assisting private and public companies in a variety of industries with full service accounting, and tax services. Prior to his time at BridgeMark Mr. Jackson spent a number of years working at Ernst & Young LLP and obtaining his CA designation before moving onto work as a senior analyst at a boutique investment banking firm. Mr. Jackson holds a Bachelor of Business Administration degree from Simon Fraser University, and the professional designation of Chartered Accountant (CA), where he is a member of the B.C. and Canadian Institute of Chartered Accountants. Most recently, Mr. Jackson has had extensive experience as a Director and CFO of numerous publicly traded corporations.

To the knowledge of Company, no director or officer of the Company:

(a) is, as at the date of the Material Change Report, or has been, within 10 years before the date of the Material Change Report, a Director, CEO or CFO of any company (including Nutaq) that:

   (i) was the subject, while the Director was acting in the capacity as Director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

   (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the Director ceased to be a Director, CEO or CFO but which resulted from an event that occurred while the Director was acting in the capacity as Director, CEO or CFO of such company; or

   (iii) is, as at the date of this Material Change Report, or has been within 10 years before the date of the Material Change Report, a Director or Executive Officer of any company (including Nutaq) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

   (iv) has, within the 10 years before the date of this Material Change Report, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or

   (v) had a receiver, receiver manager or trustee appointed to hold the assets of the Director;

   (vi) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

   (vii) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Director.

Convertible Securities

There are no convertible securities of Nuran issued and outstanding.

Executive Compensation

The Company does not have a formal compensation program. The Company intends to adopt a compensation program over the next twelve months. The Company Board presently relies on the experience of its members as officers or directors of other junior companies in similar industries to ensure that total compensation paid is fair and reasonable.

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general philosophy of Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other junior companies in order to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account Company's overall financial position.

Company expects that the compensation to executive officers will be comprised of salaries and incentive stock options. In establishing levels of cash compensation and the granting of stock options, the executive's performance, level of expertise, responsibilities, and comparable levels of remuneration paid to executives of other companies of similar size and development within the industry are considered. The Company presently has no stock options issued and outstanding.

Summary Compensation Table

The following table is presented in accordance with National Instrument Form 51-102F6 ("Statement of Executive Compensation") and sets forth all annual and long-term compensation for services in all capacities to Nutaq for the financial year ended October 31, 2014, in respect of each of the following executive officers of Nutaq: (a) the current Chief Executive Officer ("CEO") of Nutaq; (b) the Chief Financial Officer ("CFO") of Nutaq; and, where applicable, (c) the other two most highly compensated executive officers of Nutaq during the financial year ended October 31 whose individual total compensation for the most recently completed financial year exceeded $150,000 (collectively the "Named Executive Officers" or "NEOs"). No other executive officer secured compensation in an amount greater than $150,000 in the financial year ended October 31:

NEO Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans			
Martin Bedard Director, Co-President, Co-CEO	2014 2013 2012	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	270,000* 180,000* 180,000*	270,000* 180,000* 180,000*
Patrice Rainville Director, Co-President, Co-CEO	2014 2013 2012	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	270,000* 180,000* 180,000*	270,000* 180,000* 180,000*

*Bleu Gestion & Investissements Inc., a company controlled jointly by Martin Bedard and Patrice Rainville, received a monthly advisory fee of $10,000 per month for management consulting fees provided to Nutaq during the year ended October 31, 2014 and are due a payment of $150,000 for certain consulting services rendered in connection with the listing and RTO process of Nutaq during the year ended October 31, 2014. During fiscal 2013 and fiscal 2012 companies jointly controlled by Martin Bedard and Patrice Rainville received aggregate monthly advisory fees of $15,000.

Director Compensation Table

Other than compensation paid to the NEOs, the following compensation was paid or accrued to directors in their capacity as directors or officers of the Company in their capacity as members of a committee of the board or of a committee of the board of its subsidiary, or as consultants or experts, during the Company's most recently completed financial year:

Name	Fees ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compen-sation ($)	Total ($)
Martin Bedard	Nil	Nil	Nil	Nil	Nil	270,000*	270,000*
Patrice Rainville	Nil	Nil	Nil	Nil	Nil	270,000*	270,000*
Anthony Jackson	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Bleu Gestion & Investissements Inc., a company controlled jointly by Martin Bedard and Patrice Rainville, received a monthly advisory fee of $10,000 per month for management consulting fees provided to Nutaq during the year ended October 31, 2014 and are due a payment of $150,000 for certain consulting services rendered in connection with the listing and RTO process of Nutaq during the year ended October 31, 2014.

Narrative Discussion

No director of Company who is not an NEO has received, other than described below, during the most recently completed financial year, compensation pursuant to:

(a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

(c) any arrangement for the compensation of directors for services as consultants or expert.

Bleu Gestion & Investissements Inc., a private company controlled jointly by Martin Bedard and Patrice Rainville, received a monthly advisory fee of $10,000 per month for management consulting fees provided to Nutaq until October 31, 2014 and are due a payment of $150,000 for certain consulting services rendered in connection with the listing and RTO process of Nutaq during the year ended October 31, 2014. Blue Gestion also received 500,000 shares for consulting services rendered in connection with the RTO process during the quarter ended January 31, 2015 and increased the monthly advisory fee to $20,000 effective in November, 2014. During fiscal 2013 and fiscal 2012 companies jointly controlled by Martin Bedard and Patrice Rainville received aggregate monthly advisory fees of $15,000.

Finexcorp Inc., a private company controlled jointly by Martin Bedard and Patrice Rainville, has a factoring agreement with Nutaq pursuant to which Nutaq has access to up to $2,500,000 as a factoring line in consideration of accounts receivable. The factoring agreement is secured by a chattel mortgage on the assets of Nutaq.

Finexcorp Inc. also provided a loan of $3,500,000 to Nutaq accruing interest at an annual rate of 6%. The loan is secured by a chattel mortgage on the assets.

Philip Kirsch, a shareholder of Nutaq, provided a loan of $1,500,000 to Nutaq accruing interest at an annual rate of 6%. The loan is secured by a chattel mortgage on the assets.

Nutaq leases certain equipment pursuant to an equipment leasing agreement between Finexcorp and Nutaq. The lease is secured against certain computer equipment of Nutaq and is repayable in monthly installments of $6,255, maturing in March, 2016. The amount outstanding under the lease is $87,813 as at October 31, 2014.

<u>Incentive Plan Awards</u>

The Company does not have any incentive plans.

<u>Pension Plan Benefits</u>

The Company does not have a pension plan or defined contribution plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has not entered into any contract, agreement, plan or arrangement that provides for payments to its NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

Indebtedness of Directors and Executive Officers

Other than routine indebtedness for travel and other expense advances and as described above, no existing director or executive officer of Company, or any associate of any of them, was indebted to Company as at the date of this Material Change Report or is currently indebted to Company or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Company.

Risk Factors

See attached Appendix “B”.

Promoters

Other than with respect to consideration paid to Martin Bedard and Patrice Rainville and/or their affiliates as outlined in “Executive Compensation” and “Related Party Transactions” above, the Company has not provided consideration to any promoter within the two years immediately preceding the date of this Material Change Report.

Legal Proceedings

Other than as described below, the Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

Nutaq has outstanding litigation with Canada Revenue Agency respecting certain federal tax credits from 2005 to 2009. Nutaq has determined that it was eligible for investment tax credits on expenditures incurred on scientific research and experimental development. The Tax Court of Canada ruled in favour of CRA in a judgement rendered in January 2013 for the years 2005 to 2007. As a result of the judgement Nutaq lost its Canadian-controlled private corporation status and the right to benefit from an additional 15% investment tax credit and denied the eligibility of certain expenses. For those years the Tax Court granted amounts of $1,054,509 which will apply against tax liabilities of Nutaq. Nutaq has contested this decision and appealed to the federal court of appeal. As at November 17, 2014 the Federal Court of Appeal sided with the Tax Court of Canada in a judgement rendered against Nutaq. Nutaq has appealed the decision to the Supreme Court of Canada. There is no assurance that Nutaq will succeed in its appeal and there is a risk that the governmental agency could confirm that some or all of the expenditures are not incurred on scientific research and experimental development activities and, therefore, could reduce or disallow claims for such credits, including refundable credits. Nutaq has made an allowance for impairment of $3,444,770 was included Nutaq’s financial statements and the amount has been written off as of October 31, 2014.

Nutaq has outstanding litigation with one customer respecting trade accounts receiveable totaling US$2,350,314. Nutaq is presently reviewing all of its options with respect to recovering the outstanding debt. An allowance for credit losses was recognized in the October 31, 2014 financial statements of Nutaq. As at October 31, 2014 the amount has been written off.

Interest of Management and Others in Material Transactions

Other than as otherwise disclosed in this Material Change Report, no director, executive officer or principal shareholder of Nuran, or an associate or affiliate of a director, executive officer or principal shareholder of Nuran, has any material interest, direct or indirect, in any transactions which has occurred since our incorporation, or in any proposed transaction that has materially affected or will materially affect the Company.

Auditors, Transfer Agents and Registrars

Auditor

Our auditor is Raymond Chabot Grant Thornton LLP, Chartered Accountant of 140 Grande- Allée East, Quebec, Quebec G1R5P7.

Transfer Agent and Registrar

Our registrar and transfer agent is Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1, Canada.

Material Contracts

There are no contracts of Nutaq, other than contracts entered into in the ordinary course of business, that are material to Nutaq and that were entered into by Nutaq within the last twenty four months, other than as set forth below:

1. **Arrangement Agreement - –** particulars of which are set out under Section 2. "Corporate Structure".

2. **Amalgamation Agreement between Nutaq Innovation Inc., 9215174 Canada Inc. and the Company dated March 11, 2015–** particulars of which are set out under Section 2. "Corporate Structure".

3. **Factoring Agreement** between Nutaq and Finexcorp Inc. dated November, 2011– particulars of which are described in Section 15 "Executive Compensation".

4. **Visa Technology Agreement** for R&D credits – April 2013 between Nutaq and Ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie, Quebec Government.

Copies of these agreements are available for inspection without charge at the registered and records office of the Company during ordinary business hours.

Interest of Experts

There is no direct or indirect interest of a Related Person received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is are named as having prepared or certified a part of this Material Change Report or prepared or certified a report or valuation described or included in this Material Change Report.

Financial Statements

The following financial statements are attached as Appendix "A" to this Material Change Report:

- Audited financial statements of Nutaq for the years ended October 31, 2013 and 2014;

- Audited financial statements for Nutaq for the nine month period ended October 31, 2014;

- Unaudited financial statements for Nutaq for the nine month period ended October 31, 2013;

- Unaudited financial statements for the year ended October 31, 2012 and the preceding period commencing November 16, 2011;

- Unaudited financial statement for the three month period ended January 31, 2015; and

- Pro-forma financial statements as at October 31, 2014.

Management's Discussion and Analysis for the years ended October 31, 2014, 2013 and 2012, and the Management's Discussion and Analysis for the period ended January 31, 2015 are attached as Appendix "B" hereto.

Appendix "A"
Financial Statements

Nutaq Innovation Inc.

Financial Statements
October 31, 2014

Raymond Chabot
Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP
Suite 200
140 Grande Allée East
Québec, Quebec G1R 5P7

Telephone: 418-647-3151
Fax: 418-647-5939
www.rcgt.com

To the Shareholders of
Nutaq Innovation Inc.

We have audited the accompanying financial statements of Nutaq Innovation Inc., which comprise the statement of financial position as at October 31, 2014 and 2013 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion on the 2013 financial statements and the 2014 results of operations and cash flows and our unmodified audit opinion on the 2014 financial position.

Basis for qualified opinion on the 2013 financial statements and the 2014 results of operations and cash flows

We were not able to obtain sufficient appropriate audit evidence regarding the physical inventories as at October 31, 2013 and as at November 1, 2012 or satisfy ourselves concerning those inventory quantities by alternative means. Consequently, we were unable to determine whether adjustments to inventories as at October 31, 2013 and to the statements of comprehensive income and cash flows might be necessary for the years ended October 31, 2014 and 2013.

Qualified opinion on the 2013 financial statements and the 2014 results of operations and cash flows

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion on the 2013 financial statements and the 2014 results of operations and cash flows" paragraph, the financial statements present fairly, in all material respects, the financial position of Nutaq Innovation Inc. as at October 31, 2013 and its financial performance and its cash flows for the years ended October 31, 2014 and 2013 in accordance with International Financial Reporting Standards.

Opinion on the 2014 financial position

In our opinion, the financial position presents fairly, in all material responses the financial position of Nutaq Innovation Inc. as at October 31, 2014 in accordance with International Financial Reporting Standards.

Other matter

The financial statements of Nutaq Innovation Inc for the year ended October 31, 2012 were not audited.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Raymond Chabot Grant Thornton LLP[1]

Québec
January 29, 2015

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[1] CPA auditor, CA public accountancy permit no. A119912

Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP
Suite 200
140 Grande Allée East
Québec, Quebec G1R 5P7

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Fax: 418-647-5939
www.rcgt.com

To the Shareholders of
Nutaq Innovation Inc.

We have audited the accompanying financial statements of Nutaq Innovation Inc., which comprise the statement of financial position as at October 31, 2014 and the statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended (February 1 to October 31), and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Nutaq Innovation Inc. as at October 31, 2014 and its financial performance and its cash flows for the nine-month period then ended in accordance with International Financial Reporting Standards.

Other matter

The statements of comprehensive income, changes in equity and cash flows of Nutaq Innovation Inc for the nine-month period ended October 31, 2013 were not audited.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Raymond Chabot Grant Thornton LLP [1]

Québec
January 29, 2015

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[1] CPA auditor, CA public accountancy permit no. A119912

Raymond Chabot Grant Thornton

Review Engagement Report

Raymond Chabot Grant Thornton LLP
Suite 200
140 Grande Allée East
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To the Shareholders of
Nutaq Innovation Inc.

We have reviewed the comparative statement of financial position of Nutaq Innovation Inc. as at October 31, 2012 and the comparative statements of comprehensive income, changes in equity and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these comparative financial statements are not, in all material respects, in accordance with International Financial Reporting Standards.

The opening statement of financial position of Nutaq Innovation Inc. as at November 16, 2011 was not audited or reviewed.

Raymond Chabot Grant Thornton LLP [1]

Québec
January 29, 2015

[1] CPA auditor, CA public accountancy permit no. A119912

Raymond Chabot
Grant Thornton

Review Engagement Report

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To the Shareholders of
Nutaq Innovation Inc.

We have reviewed the comparative statement of financial position of Nutaq Innovation Inc. as at October 31, 2013 and the comparative statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended (February 1 to October 31). Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these comparative financial statements are not, in all material respects, in accordance with International Financial Reporting Standards.

Raymond Chabot Grant Thornton LLP[1]

Québec
January 29, 2015

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[1] CPA auditor, CA public accountancy permit no. A119912

Nutaq Innovation Inc.
Statement of Comprehensive Income
Nine-month period ended October 31, 2014 and year ended October 31, 2014
(in Canadian dollars)

	2014-10-31 (9 months)	2013-10-31 (9 months) Restated and unaudited (Note 5)	**2014-10-31 (12 months)**	2013-10-31 (12 months) Restated (Note 5)	2012-10-31 (12 months) Restated and unaudited (Note 5)
	$	$	**$**	$	$
Revenue (Note 24)	**3,820,605**	5,619,966	**5,593,430**	6,404,880	5,338,236
Cost of sales	**2,236,942**	3,017,484	**3,833,638**	3,588,848	2,400,721
Gross profit	**1,583,663**	2,602,482	**1,759,792**	2,816,032	2,937,515
Selling expenses	**825,309**	748,609	**1,089,253**	967,680	730,557
Administrative expenses	**1,485,827**	2,295,895	**1,812,831**	2,542,351	3,639,986
Financial expenses (Note 17)	**1,084,436**	1,048,295	**1,549,000**	1,302,675	1,139,045
Research and development costs, net of $370,793 in tax credits for the nine-month period ended October 31, 2014, $507,282 for the year ended October 31, 2014 ($853,549 for the nine-month period ended October 31, 2013, $1,030,926 for the year ended October 31, 2013 and $1,181,238 for the year ended October 31, 2012)	**779,328**	536,363	**846,080**	689,570	269,357
	4,174,900	4,629,162	**5,297,164**	5,502,276	5,778,945
Loss before other gain (loss)	**(2,591,237)**	(2,026,680)	**(3,537,372)**	(2,686,244)	(2,841,430)
Other gain (loss)					
Reversal of investment tax credits receivable (Note 5)					(3,444,770)
Government assistance	**48,733**	60,961	**48,733**	60,961	
	48,733	60,961	**48,733**	60,961	(3,444,770)
Net loss and total comprehensive income	**(2,542,504)**	(1,965,719)	**(3,488,639)**	(2,625,283)	(6,286,200)
Loss per share (Note 15)					
Basic and diluted loss per share	**(0.31)**	(0.32)	**(0.45)**	(0.42)	(1.01)
Weighted average number of outstanding common shares	**8,266,187**	6,217,391	**7,749,778**	6,217,391	6,217,391

The accompanying notes are an integral part of the financial statements.

Nutaq Innovation Inc.
Statement of Changes in Equity
Nine-month period ended October 31, 2014 and year ended October 31, 2014
(in Canadian dollars)

			2014-10-31 (9 months)
	Share capital	**Deficit**	**Total equity**
	$	**$**	**$**
Balance as at February 1, 2014	**2,550,315**	**(10,545,665)**	**(7,995,350)**
Issue of share capital and total transactions with owners (Note 14)	**5,520,092**		**5,520,092**
Net loss and total comprehensive income for the period		**(2,542,504)**	**(2,542,504)**
Balance as at October 31, 2014	**8,070,407**	**(13,088,169)**	**(5,017,762)**

			2013-10-31 (9 months) Unaudited
	Share capital	Deficit	Total equity
	$	$	$
Balance as at February 1, 2013			
As previously reported	2,550,315	(990,697)	1,559,618
Correction of prior years errors (Note 5)		(6,643,114)	(6,643,114)
As restated	2,550,315	(7,633,811)	(5,083,496)
Net loss and total comprehensive income for the period		(1,965,719)	(1,965,719)
Balance as at October 31, 2013	2,550,315	(9,599,530)	(7,049,215)

			2014-10-31 (12 months)
	Share capital	**Deficit**	**Total equity**
	$	**$**	**$**
Balance as at November 1, 2013			
As previously reported	**2,550,315**	**(2,483,124)**	**67,191**
Correction of prior years errors (Note 5)		**(7,116,406)**	**(7,116,406)**
As restated	**2,550,315**	**(9,599,530)**	**(7,049,215)**
Issue of share capital and total transactions with owners (Note 14)	**5,520,092**		**5,520,092**
Net loss and total comprehensive income for the period		**(3,488,639)**	**(3,488,639)**
Balance as at October 31, 2014	**8,070,407**	**(13,088,169)**	**(5,017,762)**

Nutaq Innovation Inc.
Statement of Changes in Equity

Nine-month period ended October 31, 2014 and year ended October 31, 2014
(in Canadian dollars)

			2013-10-31 (12 months)
	Share capital	Deficit	Total equity
	$	$	$
Balance as at November 1, 2012			
As previously reported	2,550,315	(450,650)	2,099,665
Correction of prior years errors (Note 5)		(6,523,597)	(6,523,597)
As restated	2,550,315	(6,974,247)	(4,423,932)
Net loss and total comprehensive income for the period		(2,625,283)	(2,625,283)
Balance as at October 31, 2013	2,550,315	(9,599,530)	(7,049,215)

			2012-10-31 (12 months) Unaudited
	Share capital	Deficit	Total equity
	$	$	$
Balance as at November 16, 2011	200	(688,047)	(687,847)
Issue of share capital and total transactions with owners (Note 14)	2,550,115		2,550,115
Net loss and total comprehensive income for the period		(6,286,200)	(6,286,200)
Balance as at October 31, 2012	2,550,315	(6,974,247)	(4,423,932)

The accompanying notes are an integral part of the financial statements.

Nutaq Innovation Inc.
Statement of Cash Flows
Nine-month period ended October 31, 2014 and year ended October 31, 2014
(in Canadian dollars)

	2014-10-31 (9 months)	2013-10-31 (9 months) Restated and unaudited (Note 5)	**2014-10-31 (12 months)**	2013-10-31 (12 months) Restated (Note 5)	2012-10-31 (12 months) Restated and unaudited (Note 5)
	$	$	**$**	$	$
OPERATING ACTIVITIES					
Net loss	**(2,542,504)**	(1,965,719)	**(3,488,639)**	(2,625,283)	(6,286,200)
Non-cash flow adjusments					
Depreciation of property, plant and equipment	**64,074**	48,218	**83,492**	53,348	10,865
Depreciation of intangible assets	**33,328**	43,174	**44,461**	43,174	
Exchange difference on long-term debt	**(29,293)**	23,550	**24,743**	23,855	868
Issue of class "A" shares for a non-cash consideration	**35,992**		**35,992**		
Net change in working capital items					
Trade and other receivables	**760,947**	(895,110)	**333,410**	(947,458)	1,457,561
Scientific research and experimental development tax credits receivable	**1,138,288**	(425,952)	**1,673,943**	(599,329)	2,263,532
Work in progress	**146,752**	58,239	**176,779**	(138,163)	(38,616)
Inventories	**(4,602)**	(446,729)	**694,298**	(863,165)	(399,686)
Prepaid expenses	**45,199**	60,836	**(4,270)**	1,121	(17,772)
Security deposits and deposits on purchase of goods	**40,409**	(100,000)	**(224,591)**	157,786	(259,786)
Trade and other payables	**82,651**	1,899,155	**463,582**	2,049,682	618,581
Deferred revenue	**641,674**	(38,926)	**721,944**	(61,334)	196,167
Net cash from (used in) operating activities	**412,915**	(1,739,264)	**535,144**	(2,905,766)	(2,454,486)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	**(131,439)**	(33,657)	**(176,856)**	(90,503)	(98,188)
Purchase of intangible assets	**(46,872)**	(337,117)	**(68,652)**	(337,117)	(5,757)
Net cash used in investing activities	**(178,311)**	(370,774)	**(245,508)**	(427,620)	(103,945)

Nutaq Innovation Inc.
Statement of Cash Flows

Nine-month period ended October 31, 2014 and year ended October 31, 2014

(in Canadian dollars)

	2014-10-31 (9 months)	2013-10-31 (9 months) Restated and unaudited (Note 5)	**2014-10-31 (12 months)**	2013-10-31 (12 months) Restated (Note 5)	2012-10-31 (12 months) Restated and unaudited (Note 5)
	$	$	**$**	$	$
FINANCING ACTIVITIES					
Net change in loan payable	**(480,138)**	1,368,934	**(611,302)**	1,641,994	
Long-term debt	**95,197**	882,373	**95,197**	1,886,861	2,784,209
Repayment of long-term debt	**(40,580)**	(129,238)	**(52,808)**	(214,238)	(1,680,000)
Issue of class "A" shares	**325,000**		**325,000**		1,550,115
Net cash from (used in) financing activities	**(100,521)**	2,122,069	**(243,913)**	3,314,617	2,654,324
Net increase (decrease) in cash	**134,083**	12,031	**45,723**	(18,769)	95,893
Cash, beginning of period	**(10,368)**	65,961	**77,992**	96,761	868
Cash, end of period	**123,715**	77,992	**123,715**	77,992	96,761
Supplementary information					
Interest paid included in operating activities	**612,231**	795,146	**897,585**	1,043,149	1,003,519

The accompanying notes are an integral part of the financial statements.

Nutaq Innovation Inc.
Statement of Financial Position
October 31, 2014
(in Canadian dollars)

	2014-10-31	2013-10-31 Restated (Note 5)	2012-10-31 Restated and unaudited (Note 5)	2011-11-16 Unaudited (Note 5)
	$	$	$	$
ASSETS				
Current				
Cash	**123,715**	77,992	96,761	868
Trade and other receivables (Note 5 and Note 7)	**1,651,825**	1,985,235	1,037,777	7,100
Scientific research and experimental development tax credits receivable (Note 5 and Note 23)	**602,761**	2,276,704	1,677,375	
Work in progress		176,779	38,616	
Inventories (Note 8)	**1,219,045**	1,913,343	1,050,178	
Prepaid expenses	**20,921**	16,651	17,772	
Security deposits and deposits on purchase of goods	**346,954**	122,363	280,149	
Current assets	**3,965,221**	6,569,067	4,198,628	7,968
Non-current				
Property, plant and equipment (Note 9)	**396,390**	303,026	87,323	
Intangible assets (Note 5 and Note 10)	**323,891**	299,700	5,757	
Non-current assets	**720,281**	602,726	93,080	
Total assets	**4,685,502**	7,171,793	4,291,708	7,968
LIABILITIES				
Current				
Trade and other payables (Note 11)	**2,407,460**	3,123,678	1,073,996	695,815
Deferred revenue	**856,777**	134,833	196,167	
Loans payable (Note 12)	**1,030,692**	1,641,994		
Current portion of long-term debt	**63,757**	52,808		
Current liabilities	**4,358,686**	4,953,313	1,270,163	695,815
Non-current				
Long-term debt (Note 13)	**5,344,578**	9,267,695	7,445,477	
Total liabilities	**9,703,264**	14,221,008	8,715,640	695,815
DEFICIENCY				
Share capital (Note 14)	**8,070,407**	2,550,315	2,550,315	200
Deficit	**(13,088,169)**	(9,599,530)	(6,974,247)	(688,047)
Total equity	**(5,017,762)**	(7,049,215)	(4,423,932)	(687,847)
Total equity and liabilities	**4,685,502**	7,171,793	4,291,708	7,968

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

/s/Martin Bedard
Director

/s/Patrice Rainville
Director

Nutaq Innovation Inc.
Notes to Financial Statements
October 31, 2014
(in Canadian dollars)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company is incorporated under the Business Corporations Act (Quebec) and operates in the research, development, manufacturing and marketing of digital electronic circuits and wireless telecommunication products.

2 - GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRSs AND GOING CONCERN ASSUMPTION

The Company's registered office is at 2150 Cyrille-Duquet Street, Québec, Quebec G1N 2G3.

The Company's financial statements have been prepared in accordance with International Financial Accounting Standards (IFRSs). They are the first annual financial statements prepared in accordance with IFRSs (see Note 4 for the explanation of the transition to IFRSs) and they are based on the assumption that the Company is a going concern, meaning it will be able to realize its assets and discharge its liabilities in the normal course of its operations.

In light of operating losses incurred during the year ended October 31, 2014 and the past years, the working capital deficiency as at October 31, 2014 and shareholders' deficiency, there is significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders, the growth and profitability of the future sales of its products that are now marketed and the obtaining of additional financing. However, the Company has completed the development of two of its main products, of which one is already into a supply agreement with a tier-one client, and has begun its marketing. In addition, the Company has concluded a private financing agreement on a voluntary basis and has a cash flow managing plan to deal with the situation (Note 25). Adding to the above, the Company has presently a financing agreement in place for financing the invoices and purchase order to a maximum of $2,500,000 (Note 12). If necessary, the Company may review the prioritization and, if needed, defer some of its research and development projects.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the statement of financial position's classification have not been adjusted as would be required if the going concern assumption were not appropriate.

The financial statements for the nine-month period ended October 31, 2014 and the year ended October 31, 2014 (including comparative figures for the nine-month period ended October 31, 2013, the years ended October 31, 2013 and 2012 and as at november 16, 2011) were approved and authorized for issue by the board of directors on January 29, 2015.

3 - SUMMARY OF ACCOUNTING POLICIES

Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

Nutaq Innovation Inc.
Notes to Financial Statements
October 31, 2014
(in Canadian dollars)

3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Foreign currency translation

Functional and presentation currency

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the Company's functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at the exchange rates in effect at the end of the period are recognized in profit or loss.

Non-monetary items are not retranslated at the end of the period and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates in effect at the date on which fair value was determined.

Revenue

Revenue arises from the sale of goods and the rendering of services and are measured at the fair value of consideration received or receivable, excluding sales taxes.

Revenue arising from the sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

Revenue arising from the rendering of services is recognized when the services are provided. Consideration received prior to the services being rendered is deffered as a liability under "Deferred revenue" on the statement of financial position.

Revenue arising from the rendering of services according to long-term contracts and associated costs are recognized by reference to the stage of completion of the contract activity at the reporting date. When the Company can not measure the outcome of a long-term contract reliably, revenue is recognized only to the extent of contract costs that have been incurred and are recoverable. Long-term service contract costs are recognized in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately in profit or loss.

A long-term service contract stage of completion is assessed by management based on the hours worked over the total estimated hours of the contract.

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3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

The gross amount due from customers for contract work is presented as work in progress for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings. The gross amount due to customers for contract work is presented as deferred revenue for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses).

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be operated in the manner intended by the Company's management. They are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is recognized according to the following methods to write down the cost less estimated residual value, if any. The following rates are applied:

	Methods	Rates
Leasehold improvements	Straight-line	25%
Equipment and furniture, telecommunication system, furniture and fixtures	Decreasing	20%
Computer equipment and computer equipment under capital lease	Decreasing	30%

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss when incurred.

Intangible assets

Recognition of intangible assets

The acquired computer software is capitalized on the basis of costs incurred to acquire and install the specific software. Trademarks acquired are recognized as intangible assets at their cost.

Expenditure on the research phase of projects is recognized as an expense as incurred. Costs that are attributable to a project's development phase are recognized as intangible assets, provided that they meet the following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The Company intends and has sufficient resources to complete the project;
- The Company has the ability to use or sell the asset;
- The asset will generate probable future economic benefits.

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3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Development costs not meeting these criteria for capitalization are expensed as incurred. Directly attributable costs include employee costs incurred on development along with an appropriate portion of relevant overheads.

Subsequent measurement

All intangible assets, are accounted for using the cost model whereby capitalized costs (except for trademarks) are amortized over their estimated useful lives, as these assets are considered finite. The following amortization method and rate is applied:

	Method	Rate
Software	Straight-line	20%

As no finite useful life for trademarks can be determined, related carrying amounts are not amortized.

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss when incurred.

Impairment of property, plant and equiment and intangible assets

For impairment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. The case being, any impairment losses for cash-generating units is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exists. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at fair value through profit or loss;
- Heald-to-maturity investments;
- Available-for-sale financial assets.

All financial assets except for those at fair value through profit or loss are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

All of the Company's financial assets (including cash, trade accounts receivable, security deposits and deposits on purchase of goods) are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets are recognized in profit or loss.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade accounts payable, loans payable and the long-term debt.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Financial leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Company is a lessee in this type of arrangement, the related asset is recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a financial lease liability.

See property, plant and equipment's accounting policy for the depreciation methods and useful lives for assets held under financial leases. The corresponding financial lease liability is reduced by lease payments net of financial charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as financial costs over the period of the lease.

Operating lease agreements

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized as an expense on a straight-line basis over the lease term. Related expenses, such as maintenance and insurance expenses, are charged as incurred.

Income taxes

The tax expense recognized in profit or loss comprises the sum of deferred taxes and current taxes not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current taxes are payable on taxable profit, which differs from profit or loss in the financial statements. The calculation of current taxes is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred taxes are not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided that those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

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3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Deferred tax assets and liabilities are offset only when the Company has the right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are directly in equity, in which case the related deferred taxes are also recognized in equity.

Investment tax credits and government assistance

Investment tax credits and government assistance related to current expenses are accounted for as a reduction of research and development costs and as other revenue, respectively, while those related to the acquisition of property, plant and equipment or intangible assets are accounted for as a reduction of the cost of the related asset. Credits and government assistance are accrued in the year in which the related expenses or capital expenditures are incurred, provided that the Company is reasonably certain that the credits will be received. The investment tax credits must be examined and approved by the tax authorities and it is possible that the amounts granted will differ from the amounts recorded.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Equity, reserves and dividend payments

Share capital represents the paid-up capital of shares that have been issued.

Retained earnings (deficit) include all current and prior period retained profits and losses.

Provisions, contingent assets and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

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3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Estimation uncertainty

Recognition of investment tax credits

Determining the amount of investment tax credit requires significant judgement as management needs to assess if research and development projects for which investment tax credits are claimed are eligible, as well as assessing if the expenses incurred are eligible. Furthermore, following the litigation with the Canada Revenue Agency (see Note 23), significant judgement is required in determining if the Company qualifies as a Canadian-controlled private corporation.

Allowance for impairment of trade accounts receivable

Significant estimates and judgements are required in assessing the amount of allowance for impairment of trade accounts receivable.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainties relate to assumptions about future operating results and the determination of a suitable discount rate.

Judgement

Recognition of long-term service contracts revenue

Recognizing revenue derived from long-term service contracts requires significant judgement in determining milestones and percentage of completion, actual work performed and estimated costs to complete the work. Recognized amounts of revenue and related work in progress (or deferred revenue) reflect management's best estimate of each contract's outcome and stage of completion.

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3 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, and to meets its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

4 - FIRST-TIME ADOPTION OF IFRSs

These are the Company's first annual financial statements prepared in accordance with IFRSs. The date of transition to IFRSs is November 16, 2011, which is the date at which the Company started its activities.

The Company's IFRS accounting policies presented in Note 3 have been applied in preparing the financial statements for the nine-month periods ended October 31, 2014 and 2013 and for the years ended October 31, 2014, 2013 and 2012, as well as for the preparation of the statement of financial position as at November 16, 2011.

The Company has applied IFRS 1, "First-time Adoption of International Financial Reporting Standards" in preparing these first financial statements. The effects of the transition to IFRSs on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes.

First-time adoption exemptions applied

Upon transition, IFRS 1 permits certain exemptions from full retrospective application. The Company has applied the mandatory exceptions as set out below, and no optional exemptions were applied.

- The Company has used estimates under IFRSs that are consistent with those applied under previous generally accepted accounting principles (GAAPs) unless there is objective evidence that those estimates were in error;
- Financial assets and liabilities that had been derecognized under previous GAAPs have not been recognized under IFRSs.

Reconciliation of equity

The transition to IFRSs had no impact on the Company's deficit at the date of transition, after restatement for the correction of prior years errors as described in Note 5.

4 - FIRST-TIME ADOPTION OF IFRS (Continued)

Reconciliation of total comprehensive income

Net loss and total comprehensive income for the years ended October 31, 2013 and 2012 and for the nine-month period ended October 31, 2013, determined in accordance with IFRSs, are approximately equivalent to net earnings determined previously, after restatement for the correction of prior years errors as described in Note 5.

Statement of cash flows

Accounting standards regarding cash flows included in IFRSs are similar to those included in the previous accounting standards. The Company has not made any major adjustment to the statement of cash flows under IFRSs, after restatement for the correction of prior years errors as described in Note 5.

5 - CORRECTION OF PRIOR YEARS ERRORS

During the year, the Company retrospectively corrected its financial statements (that were prepared in accordance with previous GAAPs) with regard to the following:

- The Company had capitalized as intangible assets development costs that did not respect all the recognition criteria from the previous GAAPs. Those capitalized development costs, totalling $1,220,963 as at October 31, 2013 ($730,863 as at October 31, 2012 and $0 as at November 16, 2011) were written off;
- The Company had recognized investment tax credits receivable for its fiscal years ended from 2005 to 2011. Following a litigation with the Canada Revenue Agency about those federal tax credits, the Tax Court of Canada sided with the Canada Revenue Agency in a judgement rendered on January 2013 and found that the Company had lost its Canadian-controlled private corporation status and the right to benefit from an additional 15% investment tax credit, and denied the eligibility of certain expenses.

  As at October 31, 2013 and 2012, those investment tax credits totalized $3,444,770 and were still recognized as tax credits receivable in the Company's financial statements. The Company contested the decision. Neither the possible outcome nor the amount of possible settlement can be foreseen (Note 23). An allowance for impairment was retroactively recognized with regard to those investment tax credits receivable;
- The Company had derecognized amounts received according to factoring transactions, totalling $783,994 as at October 31, 2013 ($0 as at October 31, 2012 and November 16, 2011), while the criteria to derecognize a financial asset were not met. These amounts were reclassified as current liabilities under “Loans payable”.
- The Company had trade accounts receivable for the recovery of which there were disputes, totalling US$2,350,314$ ($2,450,673 as at October 31, 2013 and $2,347,964 as at October 31, 2012). Although there were significant indicators of impairment as at those dates, no write-down was recognized. An allowance for impairment was retroactively recognized with regard at those trade accounts receivable.

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5 - CORRECTION OF PRIOR YEARS ERRORS (Continued)

The effects on the statements of financial position are the following:

	2013-10-31	2012-10-31 Unaudited
	$	$
Assets		
Current		
Accounts receivable	(1,666,679)	(2,347,964)
Scientific research and experimental development tax credits receivable	(3,444,770)	(3,444,770)
Long-term		
Intangible assets	(1,220,963)	(730,863)
	(6,332,412)	(6,523,597)
Liabilities		
Current		
Loans payable	783,994	
Deficiency		
Deficit	(7,116,406)	(6,523,597)
	(6,332,412)	(6,523,597)

The effects on the statement of comprehensive income and on the loss per share for each of the reporting period are the following:

	2013-10-31 (9 months) Unaudited	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	$
Earnings			
Expenses			
Administrative expenses			2,347,964
Research and development costs	366,587	490,100	730,863
Financial expenses	106,705	102,709	
Other loss			
Reversal of investment tax credits receivable			3,444,770
Loss and total comprensive income for the year	473,292	592,809	6,523,597
Loss per share			
Basic and diluted loss per share	(0.08)	(0.10)	(1.05)

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6 - STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 15, "Revenues from Contracts with Customers"

In May 2014, the International Accounting Standards Board (IASB) published IFRS 15, which replaces IAS 18, "Revenue", IAS 11, "Construction Contracts", and some revenue-related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual annual reporting periods beginning on or after January 1, 2017. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its financial statements.

IFRS 9, "Financial Instruments"

In July 2014, the IASB published IFRS 9 which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has yet to assess the impact of this new standard on its financial statements.

7 - TRADE AND OTHER RECEIVABLES

	2014-10-31	2013-10-31 (Restated)	2012-10-31 Restated and unaudited	2011-11-16 Unaudited
	$	$	$	$
Trade accounts receivable, gross	**3,301,702**	5,605,315	3,343,873	
Allowance for credit losses	**(1,776,049)**	(3,752,399)	(2,380,232)	
	1,525,653	1,852,916	963,641	
Indirect taxes receivable	**126,172**	132,319	74,136	7,100
	1,651,825	1,985,235	1,037,777	7,100

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7 - TRADE AND OTHER RECEIVABLES (Continued)

All amounts are short-term amounts. Accordingly, the carrying amount of trade and other receivables is considered a reasonable approximation of their fair value.

All of the Company's trade and other receivables have been reviewed for indicators of impairment. Certain trade accounts receivable were found to be impaired and an allowance for credit losses of $337,612 for the nine-month period ended October 31, 2014, $342,126 for the year ended October 31, 2014 ($1,246,697 for the nine-month period and the year ended October 31, 2013; and $2,380,232 for the year ended October 31, 2012) has been recorded accordingly within administrative expenses.

The movements in the allowance for credit losses is presented below:

	2014-10-31 (9 months)	2013-10-31 (9 months) Restated and unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months) Restated	2012-10-31 (12 months) Restated and unaudited
	$	$	**$**	$	$
Opening balance	**4,018,096**	2,376,236	**3,752,399**	2,380,232	
Exchange difference on allowance for credit losses	**(128,987)**	129,466	**132,126**	125,470	
Written-off amounts	**(2,450,672)**		**(2,450,672)**		
Impairment loss	**337,612**	1,246,697	**342,196**	1,246,697	2,380,232
	1,776,049	3,752,399	**1,776,049**	3,752,399	2,380,232

An analysis of unimpaired trade accounts receivable that are past due is given in Note 21.

8 - INVENTORIES

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-06 Unaudited
	$	$	$	$
Raw materials	**716,248**	859,917	828,856	
Finished goods	**502,797**	1,053,426	221,322	
	1,219,045	1,913,343	1,050,178	

For the nine-month period ended October 31, 2014, a total of $1,885,036, $2,814,442 for the year ended October 31, 2014 ($2,311,281 for the nine-month period ended October 31, 2013; $2,580,578 for the year ended October 31, 2013; and $1,468,511 for the year ended October 31, 2012) of inventories was included in profit or loss as an expense. This includes an amount of $22,404 ($111,216 for the year ended October 31, 2014; $80,416 for the nine-month period ended October 31, 2013; $109,535 for the year ended October 31, 2013; and $0 for the year ended October 31, 2012) resulting from the write-down of inventories.

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9 - PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipement and their carrying amounts are detailed as follows:

				2014-10-31 (12 months)
	Leasehold improvements	**Equipment and furniture, tele-communication system, furniture and fixtures**	**Computer equipment**	**Total**
	$	**$**	**$**	**$**
Gross carrying amount				
Balance as at November 1, 2013	**9,945**	**144,985**	**212,309**	**367,239**
Additions		**104,986**	**71,870**	**176,856**
Balance as at October 31, 2014	**9,945**	**249,971**	**284,179**	**544,095**
Depreciation and impairment				
Balance as at November 1, 2013	**2,574**	**27,719**	**33,920**	**64,213**
Depreciation	**1,843**	**33,468**	**48,181**	**83,492**
Balance as at October 31, 2014	**4,417**	**61,187**	**82,101**	**147,705**
Carrying amount as at October 31, 2014	**5,528**	**188,784**	**202,078**	**396,390**

				2013-10-31 (12 months)
	Leasehold improvements	Equipment and furniture, tele-communication system, furniture and fixtures	Computer equipment	Total
	$	$	$	$
Gross carrying amount				
Balance as at November 1, 2012	5,680	73,446	19,062	98,188
Additions	4,265	71,539	193,247	269,051
Balance as at October 31, 2013	9,945	144,985	212,309	367,239
Depreciation and impairment				
Balance as at November 1, 2012	532	7,345	2,988	10,865
Depreciation	2,042	20,374	30,932	53,348
Balance as at October 31, 2013	2,574	27,719	33,920	64,213
Carrying amount as at October 31, 2013	7,371	117,266	178,389	303,026

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9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

2012-10-31 (12 months) Unaudited

	Leasehold improvements	Equipment and furniture, tele-communication system, furniture and fixtures	Computer equipment	Total
	$	$	$	$
Gross carrying amount				
Balance as at November 16, 2011				
Additions	5,680	73,446	19,062	98,188
Balance as at October 31, 2012	5,680	73,446	19,062	98,188
Depreciation and impairment				
Balance as at November 16, 2011				
Depreciation	532	7,345	2,988	10,865
Balance as at October 31, 2012	532	7,345	2,988	10,865
Carrying amount as at October 1, 2012	5,148	66,101	16,074	87,323

Depreciation charges for each of the reporting periods are included in profit or loss and detailed as follows:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	$	$	$
Selling expenses	**6,683**	6,141	**8,970**	7,849	3,797
Administrative expenses	**40,232**	33,231	**52,367**	35,659	4,903
Research and development costs	**17,159**	8,846	**22,155**	9,840	2,165
	64,074	48,218	**83,492**	53,348	10,865

The majority of the Company's computer equipment is held under financial lease agreements. As at October 31, 2014, the net carrying amount of this computer equipment is $106,236 ($151,765 as at October 31, 2013; $0 as at October 31, 2012; and as at November 16, 2011) and is included in computer equipment. Financial lease liabilities and future minimum financial lease payments are described in Note 13.

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10 - INTANGIBLE ASSETS

The Company's intangible assets and their carrying amounts are detailed as follows:

			2014-10-31 (12 months)
	Acquired software	**Trademarks and others**	**Total**
	$	**$**	**$**
Gross carrying amount			
Balance as at November 1, 2013	**315,365**	**27,509**	**342,874**
Additions	**62,591**	**6,061**	**68,652**
Balance as at October 31, 2014	**377,956**	**33,570**	**411,526**
Depreciation and impairment			
Balance as at November 1, 2013	**43,174**		**43,174**
Depreciation	**44,461**		**44,461**
Balance as at October 31, 2014	**87,635**		**87,635**
Carrying amount as at October 31, 2014	**290,321**	**33,570**	**323,891**

			2013-10-31 (12 months) Restated
	Acquired software	Trademarks and others	Total
	$	$	$
Gross carrying amount			
Balance as at November 1, 2012		5,757	5,757
Additions	315,365	21,752	337,117
Balance as at October 31, 2013	315,365	27,509	342,874
Depreciation and impairment			
Balance as at November 1, 2012			
Depreciation	43,174		43,174
Balance as at October 31, 2013	43,174		43,174
Carrying amount as at October 31, 2013	272,191	27,509	299,700

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10 - INTANGIBLE ASSETS (Continued)

	2012-10-31 (12 months) Restated and unaudited		
	Acquired software	Trademarks and others	Total
	$	$	$
Gross carrying amount			
Balance as at November 16, 2011			
Additions		5,757	5,757
Balance as at October 31, 2012		5,757	5,757
Depreciation and impairment			
Balance as at November 16, 2011			
Depreciation			
Balance as at October 31, 2012			
Carrying amount as at October 31, 2012		5,757	5,757

All amortization charges are included within research and development costs in profit or loss.

11 - TRADE AND OTHER PAYABLES

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Trade accounts payable and accrued liabilities				
Companies under common control	**466,104**	730,184	257,214	240,000
Directors	**7,790**	541	6,174	
Others	**1,430,776**	1,713,428	272,207	50,587
Salaries and payroll deduction payable	**502,790**	679,525	538,401	405,228
	2,407,460	3,123,678	1,073,996	695,815

The carrying amount of trade and other payables is considered a reasonable approximation of their fair value, given that all amounts are short-term amounts.

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12 - LOANS PAYABLE

	2014-10-31	2013-10-31 Restated	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Loan from Investissement Québec (a)	**90,560**	858,000		
Loan from companies under common control (b)	**940,132**	783,994		
	1,030,692	1,641,994		

Given their short-term maturity, the carrying amount of loans receivable is considered a reasonable approximation of their fair value.

(a) The loan bears interest at prime rate plus 4% (7%; 7% in 2013), is secured by a chatell mortgage on the universality of accounts receivable and scientific research and experimental development tax credits receivable having a carrying amount of $2,254,586, and a guarantee for a maximum of $170,000 from a director. The loan is payable in monthly instalments of $12,937 and matures in May 2015 (in April 2014 as at October 31, 2013).

(b) The loan from companies under common control is secured by a chattel mortgage on the universality of the Company's assets.

The loan from companies under common control relates to a factoring agreement for a maximum of $2,500,000. As at October 31, 2014, the Company has $1,223,927 ($1,009,258 as at October 31, 2013) in accounts receivable that have been transferred in factoring to Finexcorp Inc. and 9134-8169 Québec inc., companies under common control, for which an amount of $283,794 ($225,264 as at October 31, 2013) has been retained as a factoring reserve.

These factoring agreements stipulate that the Company shall pay on time the government remittances and shall repay the loans received related to invoices that are past due over 105 days and 120 days, respectively. As at October 31, 2014, these terms are not respected.

13 - LONG-TERM DEBT

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Notes payable to a shareholder (a)	**1,467,195**	1,429,215	400,000	
Term loan from Canada Economic Development (b)	**360,000**	264,803		
Obligation under a financial lease agreement with a company under common control (c)	**87,813**	140,621		

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13 - LONG-TERM DEBT (Continued)

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Notes payable to a company under common control (d)				
6% (15% in 2013), secured by a chattel mortgage on the universality of all the Company's assets	**3,493,327**	5,700,400	5,700,400	
6%		1,545,082	1,049,750	
Without interest		240,382	240,382	
Note payable to a company under common control			54,945	
	5,408,335	9,320,503	7,445,477	
Current portion	**63,757**	52,808		
	5,344,578	9,267,695	7,445,477	

(a) The notes payable to a shareholder bear interest at 6%, have no repayment terms and include a note payable of US$450,000 ($507,195; $469,215 as at October 31, 2013).

(b) The term loan from Canada Economic Development does not bear interest, is payable in monthly instalments of $6,000 on June 1, 2016 and matures in May 2021.

(c) The obligation under a financial lease agreement with a company under common control is secured by computer equipment having a carrying amount of $106,236, bears interest at a rate of 18.99%, is payable in monthly blended instalments of $6,255 and matures in March 2016.

(d) The notes payable to a company under common control are subordinated to Investissement Québec's debt for an amount up to $6,500,000 and have no repayment terms.

Future minimum financial lease payments as at October 31, 2014 were as follows:

				2014-10-31
	Within 1 year	**1 to 5 years**	**After 5 years**	**Total**
	$	**$**	**$**	**$**
Lease payments	**75,064**	**25,021**		**100,085**
Financial charges	**(11,307)**	**(965)**		**(12,272)**
Net present values	**63,757**	**24,056**		**87,813**

The lease agreement includes fixed lease payments and a purchase option at the end of the term.

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13 - LONG-TERM DEBT (Continued)

Using discount rates of 7% and 10%, based on the Company's estimated incremental borrowing rates for secured and unsecured loans at the reporting date, respectively, and therefore reflecting the Company's credit position, the fair value of the long-term debt is estimated by discounting the estimated future cash outflows and totals $5,282,710.

14 - SHARE CAPITAL

The Company's share capital consists only of fully paid shares of each of the following categories, each of an unlimited amount and without nominal value.

Class “A” shares, voting and participating

Class “B” shares, non-voting, with a monthly dividend, preferential on class “A” shares and non-cumulative of 1/2 of 1% of the paid-up capital, retractable at the paid-up capital amount

Class “C” shares, non-voting, with a monthly dividend, preferential on classes “A”, “B” and “D” shares and non-cumulative of 1/2 of 1% of the redemption value, retractable at the fair value of the consideration received upon issuance

Class “D” shares, non-voting, with a monthly dividend, preferential on classes “A” and “B” shares and non-cumulative of 0.6% of the redemption value, redeemable at the fair value of the consideration received upon issuance

Classes “E” and “F” shares, non-voting, with a discretionary dividend, redeemable at the paid-up capital amount

	2014-10-31	2013-10-31
	$	$
Class “A” shares (Note 25) (a)	**8,070,307**	2,550,215
100 class “B” shares	**100**	100
	8,070,407	2,550,315

(a) The number of issued class “A” shares totals 10,424,696 as at October 31, 2014 (143 as at October 31, 2013 and October 31, 2012; and 100 as at November 16, 2011).

During the nine-month period and the year ended October 31, 2014, the Company issued 87 class “A” shares in exchange for repayment to a company under common control of notes payable of $3,979,300 and trade accounts payable of $1,179,800. The 230 class “A” shares issued were divided into 10,000,000 class “A” shares. Also, during the nine-month period and the year ended October 31, 2014, the Company issued 382,351 class “A” shares for a cash consideration of $325,000 and 42,345 class “A” shares in compensation of management fees of $35,992. The management fees consideration was included in profit or loss as an expense and the operation was measured at the fair value of services received.

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15 - LOSS PER SHARE

Basic and diluted loss per share have been calculated based on the net loss available for common shareholders by the weighted average number of common shares outstanding during the period. There were no adjustments to the numerator and denominator of basic earnings used in calculating diluted earnings.

16 - INCOME TAXES

Current tax expense

The reconciliation of income taxes computed at the Canadian statutory rates to the income tax expense recorded is as follows:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Income tax recovery calculated on the basis of the statutory rate in Canada of 26,9% (26,9% in 2013; 27,15% in 2012)	**(683,934)**	(528,778)	**(938,444)**	(706,201)	(1,706,703)
Increase (decrease) from the following items:					
Adjustment on asset acquisition					926,643
Non-deductible expenses	**156,576**	191,267	**222,679**	253,713	152,390
Non-taxable Quebec's income tax credit		(78,847)		(105,129)	(80,233)
Change in unrecognized deferred tax assets	**528,806**	400,330	**704,254**	550,039	711,990
Other	**(1,448)**	16,028	**11,511**	7,578	(4,087)
Income tax expense in the statements of comprehensive income					

The major component of tax reconciliation of the expected tax expense based on the domestic tax rate for the Company (26,9% in 2014 and 2013; and 27,15% in 2012) and the reported tax expense in profit or loss (nil for each of the reporting periods) is the increase of unused tax losses and deductible temporary differences for which no deferred tax assets are recognized.

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16 - INCOME TAXES (Continued)

Deferred income taxes

Recognized deferred tax assets and liabilities:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Deferred tax assets					
Non-capital losses		48,032		64,043	125,445
Deferred tax liabilities					
Research and development tax credits receivable		(48,032)		(64,043)	(125,445)
		(48,032)		(64,043)	(125,445)
Deferred taxes, net					

Unrecognized deductible temporary differences and unused tax losses:

	2014-10-31	2013-10-31	2012-10-31 Unaudited
	$	$	$
Property, plant and equipment and intangible assets	**199,378**	137,134	132,211
Research and development expenses (a)	**3,460,529**	2,532,020	2,221,917
Other provision	**37,980**	65,833	124,259
Unused tax losses (b)	**4,960,290**	3,302,645	1,881,626
Financing expenses	**33,708**	33,504	24,000
Unrecognized deferred tax assets	**8,691,885**	6,071,136	4,384,013

(a) Temporary differences from unused research and development expenses shown in this table are those from the federal. For the provincial, the differences are respectively: $11,968,761 as at October 31, 2014, $11,040,252 as at October 31, 2013 and October 31, 2013, and $9,921,711 as at October 31, 2012.

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16 - INCOME TAXES (Continued)

(b) The Company has unused tax losses from its operations totalling $4,960,290 for the federal and $4,948,931 for the provincial that may be carried forward and applied against taxable income over the following periods:

	Federal	Provincial
	$	$
Years ending October 31:		
2032	2,347,964	2,347,964
2033	1,192,760	1,192,760
2034	1,419,566	1,408,207
	4,960,290	4,948,931

17 - FINANCIAL EXPENSES

Financial costs consist of the following:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Foreign exchange gain	**79,102**	44,010	**138,925**	43,422	96,184
Factoring fees	**333,471**	125,945	**428,530**	130,805	
Bank charges	**8,491**	5,972	**11,023**	8,077	10,354
Interest expenses for financial liabilities at amortized cost:					
Current liabilities	**150,021**	61,100	**182,036**	61,119	33,796
Long-term liabilities	**497,633**	793,735	**766,303**	1,041,719	998,711
	647,654	854,835	**948,339**	1,102,838	1,032,507
Interest expense on financial lease agreements	**15,718**	17,533	**22,183**	17,533	
	1,084,436	1,048,295	**1,549,000**	1,302,675	1,139,045

18 - EMPLOYEE REMUNERATION

Expenses recognized for employee benefits such as wages, salaries and social security costs total $2,240,317 for the nine-month period ended October 31, 2014, $3,091,171 for the year ended October 31, 2014; ($2,196,381 for the nine-month period ended October 31, 2013; $2,890,295 for the year ended October 31, 2013; and $2,226,154 for the year ended October 31, 2012).

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19 - OPERATING LEASES AS LESSOR

The Company leases an office and furniture under operating leases. The future lease payments are as follows:

	$
Years ending October 31:	
2015	**154,217**
2016	**4,080**
2017	**4,080**
2018	**4,080**
2019	**4,080**
	170,537

The office's lease agreement expires in October 2015 and the furniture's lease agreement expires in January 2020.

The lease expense during the period amounts to the following, representing the minimum lease payments:

2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
$	$	**$**	$	$
117,685	116,474	**154,576**	153,218	135,093

Also, under a software license agreement, the Company committed to pay annual subscription fees for an amount of $60,000 and royalties of US$20 or US$30 for each unit of license products sold.

20 - RELATED PARTY TRANSACTIONS

The Company's related parties include companies under common control as well as key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Transactions with key management personnel

The Company's key management consists of the directors and executives. The key management personnel remuneration totals $373,526 for the nine-month period ended October 31, 2014; $488,809 for the year ended October 31, 2014 ($459,741 for the nine-month period ended October 31, 2013; $580,944 for the year ended October 31, 2013; and 456,760 for the year ended October 31, 2012).

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20 - RELATED PARTY TRANSACTIONS (Continued)

Other related party transactions

During the period, the Company entered into the following transactions with related parties:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Companies under common control					
Administrative expenses	**254,891**	114,294	**266,561**	122,475	129,377
Financial expenses	**786,433**	866,293	**1,104,305**	1,084,393	920,424
Companies controlled by a director					
Administrative expenses		96,000		132,000	84,000
Financial expenses		58		58	

21 - FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its executives, and focuses on actively securing the Company's short to medium-term cash flows.

The Company does not actively engage in the trading of financial assets for speculative purposes and it does not write options.

The carrying amounts of the Company's financial assets and liabilities by category are as follows:

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Financial assets classified as loans and receivables				
Cash	**123,715**	77,992	96,761	868
Trade accounts receivable	**1,525,653**	1,852,916	963,641	
Security deposits and deposits on purchase of goods	**346,954**	122,363	280,149	
	1,996,322	2,053,271	1,340,551	868

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21 - FINANCIAL INSTRUMENTS RISK (Continued)

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Financial liabilities carried at amortized cost				
Trade accounts payable	**1,875,058**	2,399,953	512,343	290,587
Loans payable	**1,030,692**	1,641,994		
Long-term debt	**5,408,335**	9,320,503	7,445,477	
	8,314,085	13,362,450	7,957,820	290,587

The most significant financial risks to which the Company is exposed are described below.

Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk and foreign currency risk which result from its operating and financing activities.

- Interest rate risk and interest rate sensitivity:

  The Company is exposed to changes in market interest rates through its loan payable at a variable interest rate.

  A change in interest rates of 1% is considered to be reasonably possible based on the observation of current market conditions. Such a change in interest rates would not have a significant impact on the Company's loss or deficit for each reporting period.

- Foreign currency risk and foreign currency sensitivity:

  The exposure to currency exchange rate fluctuations arises from the Company's sales outside Canada, which are primarily denominated in US dollars.

  To mitigate the Company's exposure to foreign currency risk, non-Canadian cash flows are monitored, but no forward exchange contracts or other derivative financial instruments are enterered into.

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21 - FINANCIAL INSTRUMENTS RISK (Continued)

Foreign currency-denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management, translated into Canadian dollars at the closing rate:

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
Cash	**18,410**	13,348	82,308	56
Trade accounts receivable	**1,345,882**	1,683,150	907,272	
Trade and other payables	**1,451,507**	1,171,435	135,986	3,469
Long-term debt	**507,195**	792,452	304,695	

A change in exchange rates of 5% is considered to be reasonably possible based on the observation of current market conditions and the market risk volatility in exchange rates in the previous 12 months. All other things being equal, such a change in interest rates would have increased or decreased the net loss and deficit of $29,700 for the nine-month period and the year ended October 31, 2014 ($13,400 for the nine-month period and the year ended October 31, 2013; and 27,400 for the year ended October 31, 2012), based on the Company's foreign currency financial instruments held at each reporting date.

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk mainly due to trade accounts receivable from its customers. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at its reporting date.

The Company continuously monitors defaults of customers, and incorporates this information into its credit risk controls.

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21 - FINANCIAL INSTRUMENTS RISK (Continued)

The Company's management considers that all of its financial assets that are not impaired or past due are of good credit quality. As at its reporting date, the Company has certain trade accounts receivable that have not been settled by the contractual due date but that are not considered to be impaired. The amounts analyzed by the length of time past due are the following:

	2014-10-31	2013-10-31	2012-10-31 Unaudited	2011-11-16 Unaudited
	$	$	$	$
No more than three months	**863,368**	1,087,557	415,133	
More than three months but no more than six months	**178,309**	259,726	156,623	
More than six months but no more than one year	**250,049**	92,783	57,373	
More than one year	**233,927**	412,850	334,512	
	1,525,653	1,852,916	963,641	

As at October 31, 2014, there are disputes for the recovery of some receivables. The total value of these receivables as at October 31, 2014 is $206,461 ($511,894 as at October 31, 2013; $378,156 as at October 31, 2012; and $0 as at November 16, 2011) and no allowance has been recorded. Management has taken steps to recover these amounts, but neither the possible outcome nor the amount of possible settlements can be foreseen.

The Company is exposed to a credit risk concentration because 57% of trade accounts receivable are due from one customer (68% from two customers as at October 31, 2013 and 46% from two customers as at October 31, 2012)

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring forecasts of cash inflows and outflows due in day-to-day business. Net cash requirements on day-to-day, week-to-week and 30-day projections are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient since financing facilities are already in place.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade accounts receivables. The Company's existing cash resources and its trade accounts receivable are insufficient to cover the current cash outflow requirement and, therefore, the Company has available borrowing facilities. Cash flows from trade and other receivables are all contractually due within six months.

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21 - FINANCIAL INSTRUMENTS RISK (Continued)

The Company's financial liabilities have contractual maturities (including interest payments, where applicable) which are summarized below:

					2014-10-31
		Current		**Non-current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other payables	**1,875,058**				**1,875,058**
Loans payable	**1,019,729**	**13,011**			**1,032,740**
Long-term debt	**186,348**	**186,348**	**5,345,543**		**5,718,239**
	3,081,135	**199,359**	**5,345,543**		**8,626,037**

					2013-10-31
		Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years	Total
	$	$	$	$	$
Trade and other payables	2,399,953				2,399,953
Loans payable	1,201,428	334,071	130,468		1,665,967
Long-term debt	552,206	552,206	9,302,222		10,406,634
	4,153,587	886,277	9,432,690		14,472,554

					2012-10-31 Unaudited
		Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years	Total
	$	$	$	$	$
Trade and other payables	512,343				512,343
Loans payable					
Long-term debt	471,023	471,023	7,445,477		8,387,523
	983,366	471,023	7,445,477		8,899,866

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21 - FINANCIAL INSTRUMENTS RISK (Continued)

					2011-11-16 Unaudited
	Current		Non-current		
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years	Total
	$	$	$	$	$
Trade and other payables	290,587				290,587
	290,587				290,587

These amounts reflect the contractual undiscounted cash flows, and therefore may differ from the carrying amounts of the liabilities at the reporting date.

Fair value

Financial assets and financial liabilities measured at amortized cost for which the fair value is disclosed in the statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

All of the Company's financial liabilities are included into Level 2. The fair value was determined based on discounted cash flows using effective interest rates available to the Company at the closing date for similar instruments.

22 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to its shareholders by pricing its services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity and management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. In order to adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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23 - LITIGATION

There is a litigation with the Canada Revenue Agency about federal tax credits from 2005 to 2009. The Tax Court of Canada sided with the Canada Revenue Agency in a judgement rendered in January 2013 for the years 2005 to 2007. The Tax Court of Canada found that the Company had lost its Canadian-controlled private corporation status and the right to benefit from an additional 15% investment tax credit, and denied the eligibility of certain expenses. For those years, the Tax Court granted amounts of $1,054,509 wich will apply against tax liabilities. The Company contested this decision. An allowance for impairment of $3,444,770 was recognized in the financial statements. As at November 17, 2014, the Federal Court of Appeal sided with the Tax Court of Canada in a judgement rendered in January 2013. The Company has decided to contest that decision before the Superior Court of Canada. The allowancefor impairment of 3,444,770$ has been written off as at October 31, 2014.

There is a litigation with one customer about trade accounts receivable totalling US$2,350,314. An allowance for credit losses was recognized in the financial statements. As at October 31, 2014, the amount has been written off.

24 - SEGMENT INFORMATION

The Company has examined its activities and has determined that, based on information reviewed on a regular basis by the main decision-makers, it has a single reportable segment.

The following information provides the required entity-wide disclosures:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Rendering of services	**490,687**	2,064,826	**676,455**	2,485,161	2,925,622
Sale of goods	**3,329,918**	3,555,140	**4,916,975**	3,919,719	2,412,614
Total	**3,820,605**	5,619,966	**5,593,430**	6,404,880	5,338,236

The Company's revenue from external customers is divided into the following geographical areas:

	2014-10-31 (9 months)	2013-10-31 (9 months) Unaudited	**2014-10-31 (12 months)**	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	**$**	$	$
Canada	**197,473**	644,751	**348,083**	673,721	930,539
United States	**2,492,272**	2,637,615	**3,366,653**	2,955,799	2,697,263
Other countries	**1,130,860**	2,337,600	**1,878,694**	2,775,360	1,710,434
Total	**3,820,605**	5,619,966	**5,593,430**	6,404,880	5,338,236

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24 - SEGMENT INFORMATION (Continued)

The Company is exposed to a credit risk concentration because 37% of its revenues are from one customer for the nine-month period ended October 31, 2014, 41% for the year ended October 31, 2014 (52% from two customers for the nine-month period ended October 31, 2013; 42% from two customers for the year ended October 31, 2013; and 20% from one customer for the year ended October 31, 2012).

All of the Company's non-current assets are located in Canada.

25 - POST-REPORTING DATE EVENTS

A subscription agreement, signed on July 15, 2014, allows a purchaser to buy for a minimum of 1,176,471 shares up to 7,000,000 class "A" shares of the Company within a period of 160 days after the signing of this agreement. As at January 29, 2015, the Company has issued 343,825 class "A" shares for a cash consideration of $295,000 and 789,115 class "A" shares in compensation for management fees of $670,748.

Nutaq Innovation Inc.

Condensed Interim Financial Statements January 31, 2015 and January 31, 2014

Financial Statements

Nutaq Innovation Inc.
Condensed Interim Statements of Comprehensive Income

Three-month periods ended January 31, 2015 and January 31, 2014
(In Canadian dollars)
(Unaudited)

	2015-01-31	2014-01-31
	$	$
Revenue	**1,974,172**	1,772,825
Cost of sales	**968,573**	1,596,696
Gross profit	**1,005,599**	176,129
Selling expenses	**284,178**	263,944
Administrative expenses	**1,082,005**	327,004
Financial expenses	**302,399**	464,564
Research and development costs, net of $132,340 in tax credits for the three-month period ended January 31, 2015 ($136,489 for the three-month period ended January 31, 2014)	**203,687**	66,752
	1,872,269	1,122,264
Net loss and total comprehensive income	**(866,670)**	(946,135)
Loss per share (Note 9)		
Basic and diluted loss per share	**(0.08)**	(0.15)
Weighted average number of outstanding common shares	**11,075,927**	6,217,391

The accompanying notes are an integral part of the condensed interim financial statements.

Nutaq Innovation Inc.
Condensed Interim Statements of Changes in Deficiency

Three-month periods ended January 31, 2015 and January 31, 2014
(In Canadian dollars)
(Unaudited)

			2015-01-31
	Share capital	**Deficit**	**Total deficiency**
	$	**$**	**$**
Balance as at November 1, 2014	**8,070,407**	**(13,088,169)**	**(5,017,762)**
Issue of share capital and total transactions with owners (Note 8)	**988,665**		**988,665**
Net loss and total comprehensive income for the period		**(866,670)**	**(866,670)**
Balance as at January 31, 2015	**9,059,072**	**(13,954,839)**	**(4,895,767)**

			2014-01-31
	Share capital	Deficit	Total deficiency
	$	$	$
Balance as at November 1, 2013	2,550,315	(9,599,530)	(7,049,215)
Net loss and total comprehensive income for the period		(946,135)	(946,135)
Balance as at January 31, 2014	2,550,315	(10,545,665)	(7,995,350)

The accompanying notes are an integral part of the condensed interim financial statements.

Nutaq Innovation Inc.
Condensed Interim Satements of Cash Flows
Three-month periods ended January 31, 2015 and January 31, 2014
(In Canadian dollars)
(Unaudited)

	2015-01-31	2014-01-31
	$	$
OPERATING ACTIVITIES		
Net loss	**(866,670)**	(946,135)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	**25,358**	19,418
Depreciation of intangible assets	**11,495**	11,133
Exchange difference on long-term debt	**64,800**	54,036
Issue of class "A" shares for a non-cash consideration	**696,415**	
Net change in working capital items		
Trade and other receivables	**641,842**	(427,537)
Scientific research and experimental development tax credits receivable	**(132,340)**	535,655
Work in progress	**(46,795)**	30,027
Inventories	**1,677**	698,900
Prepaid expenses	**(25,882)**	(49,469)
Security deposits and deposits on purchase of goods	**(190,525)**	(265,000)
Trade and other payables	**494,944**	380,931
Deferred revenue	**(1,159)**	80,270
Net cash from operating activities	**673,160**	122,229
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(178,514)**	(45,417)
Purchase of intangible assets	**(3,022)**	(21,780)
Net cash used in investing activities	**(181,536)**	(67,197)
FINANCING ACTIVITIES		
Net change in loan payable	**(583,880)**	(131,164)
Long-term debt		
Repayment of long-term debt	**(14,797)**	(12,228)
Issue of class "A" shares	**50,000**	
Net cash used in financing activities	**(548,677)**	(143,392)
Net decrease in cash	**(57,053)**	(88,360)
Cash, beginning of period	**123,715**	77,992
Cash (bank overdraft), end of period	**66,662**	(10,368)
Supplementary information		
Interest paid included in operating activities	**82,576**	291,818

The accompanying notes are an integral part of the condensed interim financial statements.

Nutaq Innovation Inc.
Condensed Interim Statements of Financial Position
As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

	2015-01-31	2014-10-31
	$	$
ASSETS		
Current		
Cash	**66,662**	123,715
Trade and other receivables	**1,009,983**	1,651,825
Subscriptions receivable	**242,250**	
Scientific research and experimental development tax credits receivable	**735,101**	602,761
Work in progress	**46,795**	
Inventories (Note 4)	**1,217,368**	1,219,045
Prepaid expenses	**46,803**	20,921
Security deposits and deposits on purchase of goods	**537,479**	346,954
Current assets	**3,902,441**	3,965,221
Non-current		
Property, plant and equipment (Note 5)	**549,546**	396,390
Intangible assets	**315,418**	323,891
Non-current assets	**864,964**	720,281
Total assets	**4,767,405**	4,685,502
LIABILITIES		
Current		
Trade and other payables	**2,902,404**	2,407,460
Deferred revenue	**855,618**	856,777
Loans payable (Note 6)	**446,812**	1,030,692
Current portion of long-term debt	**66,857**	63,757
Current liabilities	**4,271,691**	4,358,686
Non-current		
Long-term debt (Note 7)	**5,391,481**	5,344,578
Total liabilities	**9,663,172**	9,703,264
DEFICIENCY		
Share capital (Note 8)	**9,059,072**	8,070,407
Deficit	**(13,954,839)**	(13,088,169)
Total deficiency	**(4,895,767)**	(5,017,762)
Total deficiency and liabilities	**4,767,405**	4,685,502

The accompanying notes are an integral part of the condensed interim financial statements.

Nutaq Innovation Inc.
Notes to Condensed Interim Financial Statements
As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company is incorporated under the *Business Corporations Act* (Quebec) and operates in the research, development, manufacturing and marketing of digital electronic circuits and wireless telecommunication products.

2 - GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRSs AND GOING CONCERN ASSUMPTION

The Company's registered office is at 2150 Cyrille-Duquet Street, Québec, Quebec G1N 2G3.

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Accordingly, they do no include all the disclosures required under IFRS. for annual financial statements. These condensed interim financial statements should be read in conjunction with the 2014 audited annual financial statements. They are based on the assumption that the Company is a going concern, meaning it will be able to realize its assets and discharge its liabilities in the normal course of its operations.

In light of operating losses incurred during the three-month period ended January 31, 2015 and the past years, the working capital deficiency as at January 31, 2015 and shareholders' deficiency, there is significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders, the growth and profitability of the future sales of its products that are now marketed and the obtaining of additional financing. However, the Company has completed the development of two of its main products, which are already included into a supply agreement with a tier-one client, and has begun its marketing. In addition, the Company has concluded a private financing agreement on a voluntary basis and has a cash flow managing plan to deal with the situation. Adding to the above, the Company has presently a financing agreement in place for financing the invoices and purchase orders to a maximum of $2,500,000 (Note 6). If necessary, the Company may review the prioritization and, if needed, defer some of its research and development projects.

The carrying amounts of assets, liabilities, revenues and expenses presented in the condensed interim financial statements and the condensed interim statements of financial position's classification have not been adjusted as would be required if the going concern assumption were not appropriate.

The condensed interim financial statements were approved and authorized for issue by the Board of Directors on June 9, 2015.

Nutaq Innovation Inc.
Notes to Condensed Interim Financial Statements
As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

3 - SUMMARY OF ACCOUNTING POLICIES

Overall considerations

The accounting policies are in accordance with those used in the preparation of the 2014 annual financial statements.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the condensed interim financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended October 31, 2014.

4 - INVENTORIES

	2015-01-31	2014-10-31
	$	$
Raw materials	**711,290**	716,248
Finished goods	**506,078**	502,797
	1,217,368	1,219,045

For the three-month period ended January 31, 2015, a total of $15,348 ($88,812 for the three-month period ended January 31, 2014) of inventories was included in profit or loss as an expense resulting from the write-down of inventories.

Nutaq Innovation Inc.
Notes to Condensed Interim Financial Statements
As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

5 - PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipement and their carrying amounts are detailed as follows:

				2015-01-31
	Leasehold improvements	**Equipment and furniture, tele-communication system, furniture and fixtures**	**Computer equipment**	**Total**
	$	**$**	**$**	**$**
Gross carrying amount				
Balance as at November 1, 2014	**9,945**	**249,971**	**284,179**	**544,095**
Additions		**174,046**	**4,468**	**178,514**
Balance as at January 31, 2015	**9,945**	**424,017**	**288,647**	**722,609**
Depreciation				
Balance as at November 1, 2014	**4,417**	**61,187**	**82,101**	**147,705**
Depreciation	**345**	**11,296**	**13,717**	**25,358**
Balance as at January 31, 2015	**4,762**	**72,483**	**95,818**	**173,063**
Carrying amount as at January 31, 2015	**5,183**	**351,534**	**192,829**	**549,546**

6 - LOANS PAYABLE

	2015-01-31	2014-10-31
	$	$
Loan from Investissement Québec (a)	**51,749**	90,560
Loan from companies under common control (b)	**395,063**	940,132
	446,812	1,030,692

Given their short-term maturity, the carrying amount of loans receivable is considered a reasonable approximation of their fair value.

(a) The loan bears interest at prime rate plus 4% (7%; 7% in 2014), is secured by a chatell mortgage on the universality of accounts receivable and scientific research and experimental development tax credits receivable having a carrying amount of $1,745,084, and a guarantee for a maximum of $170,000 from a director. The loan is payable in monthly instalments of $12,937 and matures in May 2015.

Nutaq Innovation Inc.
Notes to Condensed Interim Financial Statements
As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

6 - LOANS PAYABLE (Continued)

(b) The loan from companies under common control is secured by a chattel mortgage on the universality of the Company's assets.

The loan from companies under common control relates to a factoring agreement for a maximum of $2,500,000. As at January 31, 2015, the Company has $1,003,395 ($1,223,927 as at October 31, 2014) in accounts receivable and scientific research and experimental development tax credits receivable that have been transferred in factoring to Finexcorp Inc. and 9134-8169 Québec inc., companies under common control, for which an amount of $608,332 ($283,794 as at October 31, 2014) has been retained as a factoring reserve.

These factoring agreements stipulate that the Company shall pay on time the government remittances and shall repay the loans received related to invoices that are past due over 105 days and 120 days, respectively. As at January 31, 2015, these terms are not respected.

7 - LONG-TERM DEBT

Using discount rates of 7% and 10%, based on the Company's estimated incremental borrowing rates for secured and unsecured loans at the reporting date, respectively, and therefore reflecting the Company's credit position, the fair value of the long-term debt is estimated by discounting the estimated future cash outflows and totals $5,338,622.

8 - SHARE CAPITAL

	2015-01-31	2014-10-31
	$	$
Class "A" shares (a)	**9,058,972**	8,070,307
100 class "B" shares	**100**	100
	9,059,072	8,070,407

(a) The number of issued class "A" shares totals 11,587,832 as at January 31, 2015 (10,424,696 as at October 31, 2014)

During the three-month period ended January 31, 2015, the Company issued 343,823 class "A" shares, for a cash consideration of $50,000 and subscriptions receivable of $242,250, and 819,313 class "A" shares in compensation of management fees of $696,415, of which $425,000 are from a company under common control. The management fees consideration was included in profit or loss as an expense and the operation was measured at the fair value of services received.

Nutaq Innovation Inc.
Notes to Condensed Interim Financial Statements

As at January 31, 2015 and October 31, 2014
(In Canadian dollars)
(Unaudited)

9 - LOSS PER SHARE

Basic and diluted losses per share have been calculated based on the net loss available for common shareholders by the weighted average number of common shares outstanding during the period. There were no adjustments to the numerator and denominator of basic earnings used in calculating diluted earnings.

10 - RELATED PARTY TRANSACTIONS

The Company's related parties include companies under common control as well as key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Other related party transactions

During the period, the Company entered into the following transactions with related parties:

	2015-01-31 (3 months)	2014-01-31 (3 months)
	$	$
Companies under common control		
Administrative expenses	**485,243**	11,670
Financial expenses	**133,952**	317,872

11 - POST-REPORTING DATE EVENTS

As at June 9, 2015, the Company issued 235,295 class "A" shares in exchange for repayment to a company under common control of notes payable of $200,000 and 180,000 class "A" shares in compensation of management fees of $153,000.

On June 2, 2015, Nuran Wireless Inc. (Nuran) acquired all of the issued and outstanding shares of the Company pursuant to a three-cornered amalgamation of Nuran's wholly-owned subsidiary, 9215174 Canada Inc., and the Company, in consideration for 32,999,994 common shares.

The transaction constitutes a reverse acquisition of Nuran as Nuran was identified as the accounting acquiree and the Company, the accounting acquirer. As Nuran does not qualify as a business, the reverse acquisition transaction does not constitute a business combination; it will rather be treated as deemed issuance of shares by the Company, for the net monetary assets of Nuran and a cost of listing.

Nuran Wireless Inc.
Pro Forma Consolidated Statement of Financial Position
As at October 31, 2014
(Unaudited)

(in Canadian dollars)	Nutaq Innovation Inc.	1014372 B.C. Ltd.	Notes	Pro forma adjust-ments	Pro forma consolidated
	$	$	$	$	$
ASSETS					
Current					
Cash	123,715	1	c)	107,000	
			a)	50,000	
			f)	(87,500)	
			g)	(12,500)	180,716
Trade and other receivables	1,651,825	-	a)	242,250	1,894,075
Scientific research and experimental development tax credit receivable	602,761	-		-	602,761
Inventories	1,219,045	-		-	1,219,045
Prepaid expenses	20,921	-		-	20,921
Security deposits and deposits on purchases of goods	346,954	-		-	346,954
Current assets	3,965,221	1		299,250	4,264,472
Non-current					
Property, plant and equipment	396,390	-		-	396,390
Intangible assets	323,891	-		-	323,891
Non-current assets	720,281	-		-	720,281
Total assets	**4,685,502**	**1**		**299,250**	**4,984,753**
LIABILITIES					
Current					
Trade and other payables	2,407,460	-		-	2,407,460
Deferred revenue	856,777	-		-	856,777
Loans payable	1,030,692	-		-	1,030,692
Current portion of long-term debt	63,757	-		-	63,757
Current liabilities	4,358,686	-		-	4,358,686
Non-current					
Long-term debt	5,344,578	-		-	5,344,578
Total liabilities	9,703,264	-		-	9,703,264
DEFICIENCY					
Share capital	8,070,407	1	a)	50,000	
			a)	242,250	
			a)	696,415	
			c)	107,000	
			e)	(1)	9,166,072
Deficit	(13,088,169)	-	a)	(696,415)	
			e)	1	
			f)	(87,500)	
			g)	(12,500)	(13,884,583)
Total equity	(5,017,762)	1		299,250	(4,718,511)
Total equity and liabilities	**4,685,502**	**1**		**299,250**	**4,984,753**

1. Basis of presentation

1014372 B.C. Ltd. (the "Company") was incorporated on September 23, 2014 under British Columbia's *Business Corporations Act.* The Company was formed in connection with the plan of arrangement (the "Arrangement") between the Company and Bravura Ventures Corp. ("Bravura") dated October 14, 2014. The purpose of the Arrangement was to restructure Bravura by creating two companies, which would become reporting issuers in the provinces of British Columbia and Alberta and pursue different lines of business than Bravura. Subsequent to the Arrangement, the Company changed its corporate name to Nuran Wireless Inc.

The accompanying unaudited pro forma consolidated statement of financial position has been prepared in accordance with International Financial Reporting Standards ("IFRS") that are in effect as at October 31, 2014, and were approved and authorized for issue by the board of directors on June 11, 2015. The unaudited pro forma statement of financial position has been prepared from information derived from the audited financial statements of Nutaq Innovation inc. ("Nutaq") as at October 31, 2014 and the audited financial statements of the Company as at October 31, 2014, as well as supplementary information available to the Company's management. The unaudited pro forma consolidated statement of financial position gives effect to the amalgamation as if it occurred on October 31, 2014.

This unaudited pro forma consolidated statement of financial position has been prepared to be included in Nuran Wireless Inc. ("Nuran") material change report dated June 12, 2015, related to the projected reverse takeover of the Company by Nutaq, the share issue described in Note 3 and the change in corporate name described here above, collectively the "pro forma adjustments".

The unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited pro forma consolidated financial statement.

Management believes that the assumptions used provide a reasonable basis for presenting all significant effects of the transaction and that the pro forma adjustments give appropriate effect to these assumptions and are appropriately applied in the unaudited pro forma consolidated statement of financial position.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with Nutaq's and Nuran's audited financial statement as at October 31, 2014.

2. Pro forma adjustments and assumptions

(a) Prior to the Arrangement, the Company issued as at January 29th, 2015 343 823 class "A" shares for a cash consideration of $50,000 and subscription receivable of $242,250 and 819,313 class "A" shares in compensation for management fees, consulting and advisory of $696,415.

(b) The completion of the Arrangement was subject to a number of conditions, including the following:

- i) Bravura altered its share capital by creating an unlimited number of new common shares and class 1 reorganization shares, and attached rights and restrictions to the new common shares and class 1 reorganization shares.
- ii) Each issued and outstanding common share was exchanged with Bravura's shareholders for one new common share and one class 1 reorganization share, and the common shares were cancelled.
- iii) All of class 1 reorganization shares were transferred by Bravura's shareholders to the resulting issuer in exchange for resulting issuer's common shares on the basis of one (1) resulting issuer's share to be issued, as numerator, for every two (2) class 1 reorganization shares outstanding as at the effective date, as denominator.
- iv) Bravura redeemed all of class 1 reorganization shares from the resulting issuer and satisfied the redemption amount of such shares by the transfer to the Company of $45,000 of working capital.
- v) The resulting issuer agreed to complete financing for minimum gross proceeds of $55,000.

(c) The Arrangement closed effective on March 11, 2015. Upon closing of the Arrangement, Nuran became a reporting issuer in Alberta and British-Columbia and existing Bravura's shareholders received 2,121,875 common shares of the Company and the Company further issued 5,350,000 common shares to subscribers of the Company's private investment in connection with the Arrangement for gross proceeds of $107,000.

(d) On March 11, 2015 the Company entered into an amalgamation with 9215174 Canada Inc. ("Newco"), a wholly-owned subsidiary of Nuran incorporated for the purpose of the amalgamation (the "Amalgamation Agreement"), pursuant to which Nuran acquired all of the issued and outstanding shares of Nutaq in consideration of an aggregate

32,999,994 common shares of Nutaq. Following the closing of the transaction, Nuran had 40,471,869 common shares issued and outstanding and former shareholders of Nutaq acquired 81.5% of the issued and outstanding common shares of Nuran. Nutaq was incorporated under the laws of Canada on May 30, 2005 under the name "Lyrtech RD Inc." Nutaq changed its name to "Nutaq Innnovation Inc." on August 31, 2012. Its registered head office is located at 2150 Cyrille-Duquet Street, Québec, Quebec G1N 2G3. Nutaq does not have any subsidiaries.

(e) Amalgamation transaction:

For accounting purposes, Nutaq is the acquirer and the transaction will be accounted for as a reverse takeover. Considering that the Company does not meet the definition of a business, the transaction will be considered a capital transaction in substance. Accordingly, the transaction is equivalent to the issuance of shares by Nutaq for the net assets of the Company.

The estimated fair value of the net assets acquired by Nutaq is summarized as follows:

	$
Asset acquired	
Cash	107,001

	$
Total consideration	107,000
One share issued and outstanding	1
Reverse takeover shortfall	107,001

(f) The estimated costs of the reverse takeover total $87,500.

(g) The estimated listing fees total $12,500.

3. Share capital

	Number of shares	$
Beginning balance	1	1
Share issue (a)		242,250
Share issue (a)		50,000
Share issue (a)		696,415
Share issue (c)	2,121,875	-
Share issue (c)	5,350,000	107,000
Adjustment following the Amalgamation transaction (e)	32,999,993	(1)
Adjustment following the Amalgamation transaction (e)		8,070,407
	40,471,869	9,166,072

Appendix "B"

Management's Discussion and Analysis of the Audited Financial Statements of Nutaq Innovation Inc. for the period ended January 31, 2015 and the years ended October 31, 2014, October 31, 2013 and October 31, 2012

Nutaq Innovation Inc.
Quarter ended January 31st, 2015
Management's Discussion and Analysis of Financial Position and Results of Operation

1.1 Selected Annual Information

	2015-01-31 (3 months) (Unaudited) ($)	2014-01-31 (3 months) (Restated and Unaudited) ($)
TOTAL REVENUES	**1,974,172**	**1,772,825**
GENERAL AND ADMINISTRATIVE EXPENSES	**1,082,005**	**327,004**
NET LOSS	**(866,670)**	**(946,135)**
NUMBER OF SHARES	**11,075,927**	**6,217,391**
LOSS/ SHARE	**(0.08)**	**(0.15)**
TOTAL ASSETS	**4,767,405**	**4,685,502**
CURRENT LIABILITIES	**4,271,691**	**4,358,686**
TOTAL LIABILITIES	**9,663,172**	**9,703,264**
SHARE CAPITAL	**9,059,072**	**8,070,407**
RETAINED EARNINGS (DEFICIT)	**(13,954,839)**	**(13,088,169)**
CASH FLOW FROM OPERATIONS	**673,160**	**122,229**

1.2 Results of Operations

The following sets forth summary financial information for the periods indicated and is derived from Nutaq's unaudited financial statements for the period of three months ending January 31st, 2015 and the restated and unaudited 3 months period ending January 31st, 2014.

Starting in 2012, Nutaq introduced a product oriented business model. As a consequence, the company's research and development team concentrated its engineering resources to develop new wireless product and to improve its current product line. Therefore, the engineering services revenue stream would decrease overtime. This line of business is now geared towards modifying or adapting current product line to suit client's features and requirements. As part of these engineering contract, Nutaq aims to retain intellectual property and rights over most of engineering projects.

The objective of this major shift is to generate a more sustainable and growing business model. Introduced in 2013, the new wireless infrastructure product line took a significant proportion of the revenue streams which was over 30% in 2013 and more than 50% in 2014.

As part of this business model realignment, the ADP product line was improved and converted into a scalable, modular approach and is now sold as fully integrated systems and software tools for specific market like wireless and scientific instead of combination of electronic boards. The company also started working with leading international research center in the Massive MIMO and 5G solution

Discussion of Operations

Nutaq's historical data related to revenues has historically shown a strong first quarter whereas the second and third quarters have been similar. Compared to fiscal 2012, 2013 and 2014, the ADP product line has been growing in terms of number of systems sold but also in terms of purchase order size. However, revenues are still stable. During the year ended October 31, 2014, most of ADP revenues were from large repeat orders from established clients. The engineering service revenue stream remains stable compared to 2013 and 2014. Most of the engineering work has been concentrated in the development of Nutaq's own equipment and products. Sold on hourly basis or on a fix bid model, the average rate per hour is $125.00. Most of 2015 engineering service revenue results from a large contract from Airvana and International research center based on Nutaq technology.

The wireless product continues to grow as expected especially due to a major OEM customer deploying product to operators. The pricing is still aligned with our 2014 pricing structure. Since majority of our revenue are billed in USD, another positive element is the currency exchange rate that led Nutaq's revenue to grow by more than 10% compare to the same period of 2014

One significant factor that caused changes in total revenue has been identified. The growing demands of the Nutaq's wireless solution has more than doubled compare to the same period. For that reason, Nutaq has been able to enter complete Non-Refundable-Non-Cancelable Purchase Order with its major client providing a long term production of units. This also had the effect of increasing the cost of sale during this period. Overall however, the cost of goods was decreased due to the effect of reduction of R&D staffing.

In 2014, as a significant sale growth is anticipated for GSM in the developing countries, Nutaq has continued to invest R&D effort in improving its GSM product. The objective was to reduce manufacturing cost and improve profit margin. The new design commenced March 2014 and is expected to be completed with a first revision for production by the end of June, 2015 for a Tier One client with a specific request. The Company is preparing for the first revision release by June 30, 2015. The total expenditures as of October 2014 were close to $350k and by the end of June, 2015, we anticipate a remaining cost of about $650k. Forecast provided by our major client make us to believe the associated revenues are expected to ramp up as soon as the improved product is available

Aside from the above hardware platform, Nutaq has also invested R&D effort in improving the GSM software IP. It has licensed a 3rd party GSM software IP last March 2014 (at a cost of $246k USD$272k, of which $40.8k CDN has been paid, the remaining to be paid after completing the integration), In addition to the licensing cost, Nutaq has spent about $70k and anticipates to spend another $90k in labor for the HW-SW integration. The first release to customer is targeted for third quarter for 2015, with gradual rollouts/incremental R&D enhancements/expenses moving forward.

Nutaq has also started investing R&D effort into the revision and upgrade of the current LiteCell allowing growth sale to existing tier one client and 4G LTE product. LTE sales is believed to gradually follow the GSM roll outs as customers become interested in data services in addition to the GSM voice service. To date the total expenditures totalled $457k for the software IP licensing, and $60k of labor to build a lab prototype.

1.3 Summary of Quarterly Results

	Quarter ended January 31, 2015 (Unaudited) ($)	**Quarter ended October 31st 2014 (Unaudited) ($)**	**Quarter ended July 31st, 2014 (Unaudited) ($)**	**Quarter ended April 30th, 2014 (Unaudited) ($)**
Engineering Services	78,940	315,879	239,754	280,934
Advanced Development Platform(ADP)	735,250	402,130	660,539	591,729
Wireless Product	935,134	552,209	435,917	492,235
Others	224,846	187,348	38,509	22,223
Total Revenues	**1,974,172**	**1,457,566**	**1,374,719**	**1,387,121**

1.4 Liquidity and Capital Resources

Nutaq has from 2012 to 2015 reinvested cash generated from operations into research and development. This has created a low liquidity base. However, Nutaq has secured a factoring line, which provides the company with additional resources and secures all working capital needs. In recent months, Nutaq has reduced its factoring to reduce financial costs and secured lender converted an amount of 5.1M of its long term debt in equity in the company. Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring forecasts of cash inflows and outflows due in day-to-day business. Net cash requirements on day-to-day, week-to-week and 30-day projections are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient since financing facilities are already in place. Thus, liquidity shortages are forecasted well in advance and can be addressed right away.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade accounts receivables. The Company's existing cash resources and its trade accounts receivable are insufficient to cover the current cash outflow requirement and, therefore, the Company has available borrowing facilities. Cash flows from trade and other receivables are all contractually due within six months.

The factoring line that the company has enables Nutaq to generate liquidity when the products are shipped. Further, some of Nutaq's customers have agreed to upfront payment terms which finance the production of Nutaq's products. In case, of liquidly shortage Nutaq is able to reduce development expenditure dramatically as well as finance its purchasing orders through a factoring partner.

In the period ended January 31 2015, Nutaq had approximately 60% of its revenues attributed to Wireless Products and approximately the same percentage to the ADP/BAS business unit. Looking at the table below representing the % of amount we pay our different suppliers in order to start producing a unit, it can be seen that for Wireless Products business unit, almost 70% of the amount of the cost of sales is required to be paid before being able to finish producing the units to deliver while this percentage is about 7% for the ADP business unit.

CATEGORY OF REVENUE	Up front payment	Cash on Delivery	NET 30
OEM	46.9%	21.8%	31.3%
BAS	4.0%	3.3%	92.7%

For the Wireless business units, the fact the upfront payment required to start production is paid in full by some of Nutaq customers helps the working capital and liquidity. However, the objective goal going forward will be to work with suppliers to relax payment terms with actual suppliers and if not possible, qualify new suppliers with whom this exercise will be possible.

Regarding the ADP business unit, the payment terms are more flexible for Nutaq as seen above in the table. Also, another factor which helps is the fact that a certain percentage of BAS customers pay some upfront payment while purchasing their products, paying around 20% of the cost of good at the moment of passing their purchase order.

The Company believes this is beneficial as most of the production done for the BAS business units subassemblies were done prior to receiving the PO from the customer. Starting those productions before receiving the actual PO from the customer is absolutely required in order to deliver the products in a timely fashion (which is less than the actual manufacturing lead-time it takes to actually build and test those units). This exercise is done by following strict rules of forecast analysis, and producing and buying in a just in time fashion using kanban stock or other relevant buying strategy.

From a review of the stock turnover coefficient in the last 3 years, the inventory turnover coefficient has been increased each quarter facilitating working capital going from 0.7 to 2.0, and thus increasing turnover coefficient by a factor of 3 during that period.

1.5 Off Balance Sheet Arrangements

At January 31, 2015, Nuran had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any other obligations that trigger financing, liquidity, market or credit risk to the Company.

1.6 Related Party Transactions

The Company's related parties include companies under common control as well as key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

During the period, the company entered into the following transactions with related parties:

	2015-01-31 (3 months) Unaudited	2014-01-31 (3 months) Unaudited	2014-10-31 (9 months) $	2013-10-31 (9 months) Unaudited $	2014-10-31 (12 months) $	2013-10-31 (12 months) $	2012-10-31 (12 months) Unaudited $
Companies under common control							
Administrative expenses	485,243	11,670	254,891	114,294	266,561	122,475	129,377
Financial expenses	133,952	317,872	786,433	114,294	1,101,305	1,084,393	920,424
Companies control by a Director							
Administrative Expenses				96,000		132,000	84,000
Financial expenses				58		58	

During the period, the Company entered into the following transactions with related parties:

	2014-07-31 (9 months)	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	$
Companies under common control			
Administrative expenses	83,318	122,475	129,377
Financial expenses	1,015,764	1,084,393	920,424
Companies controlled by a director			
Administrative expenses		132,000	84,000
Financial expenses		58	

The Company's key management consists of the directors and executives. The key management personnel remuneration totals $488,809 for the year ended October 31, 2014; $580,944 for the year ended October, 2013; and $456,760 for the year ended October 31, 2012).

1.7 Financing

No share purchase warrants or stock options were outstanding at any time during the period ended January 31, 2015.

1.8 Proposed Transactions

In June, 2015 Nuran entered into an engagement agreement with Jones, Gable & Company Limited ("JGC") pursuant to which JGC has agreed to act as lead agent on a commercially reasonable efforts basis for a private placement offering of a minimum of 2,000,000 units (each a "Unit") and up to a maximum of 10,000,000 Units at a price of $0.50 per Unit for gross proceeds of up to $5,000,000 (the "Offering"). Each Unit consists of one common share in the capital of Nuran and one share purchase warrant ("Warrant"), with each Warrant entitling its holder to purchase one additional common share at a price of $0.50 for a period of 12 months from the closing date. Nuran has the right, at any time following the expiry of the hold period, to provide a notice accelerating the exercise of the Warrant to the 30th day following the issuance of an acceleration notice if the weighted average trading price of the common shares for any 10 consecutive trading days is greater than $0.75 per common share. Upon closing of the Offering JGC will receive a cash commission of 8% of the gross proceeds of the Offering and warrants to acquire such number of Units as is equal to 8% of the aggregate number of Units sold under the Offering exerciseable at a price of $0.50 per warrant for a period of 12 months from the closing date. Completion of the Offering is subject to a number of conditions, including, without limitation, entry into an agency agreement with JGC for the brokered financing and receipt of any required regulatory approvals.

1.9 Risks and Uncertainties

The following are certain factors relating to our business which prospective investors should carefully consider before deciding whether to purchase common shares in Nuran Wireless Inc.'s ("we", "us", "our" or "Nuran") authorized capital. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Material change report. These risks and uncertainties are not the only ones we are facing. Additional risk and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Forward Looking Information

Certain information set out in this Material change report includes or is based upon expectations, estimates, projections or other "forward looking information". Such forward looking information includes projections or estimates made by us about our future business operations. While such forward looking statements and the assumptions underlying them are made in good faith and reflect our current judgment regarding the direction of their business, actual results will almost certainly vary (sometimes materially) from any estimates, predictions, projections, assumptions or other type of performance suggested here.

Market Risk for Securities

We are a public company whose common shares are not listed for trading on a stock exchange. There can be no assurance that an active trading market for our common shares will be established and sustained. Upon listing, the market price for our common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the technology sector, which have often been unrelated to the operating performance of particular companies.

Additional Financing Requirements and Access to Capital

Nuran's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders, the growth and profitability of the future sales of its products that are now marketed and obtaining additional financing. In light of operating losses incurred during the year ended October 31, 2014 and the past years, the working capital deficiency as at October 31, 2014 and shareholders deficiency there is significant doubt about Nutaq's ability to continue as a going concern. Nuran's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders, the growth and profitability of the future sales of its products and obtaining additional financing if and when required. Nuran has completed the development of two of its main products, one of which has supply agreements with a tier-one client and has begun marketing. Nuran also has in place a financing agreement for invoices and purchase orders up to a maximum of $2,500,000. An attempt may be made to raise additional funds for the aforementioned purposes through public or private equity or debt financing, and collaborations with other companies or financing from other sources may be undertaken. There can be no assurance that additional funding will be available when required or at all.

Sales Risks

Nuran's sales efforts target large corporations that require sophisticated data capture and production execution systems to collect and analyze data relating to various operational activities. Nuran spends significant time and resources educating prospective customers about the features and benefits of its solutions. Nuran's sales cycle usually ranges from 3 to 12 months and sales delays could cause its operating results to vary. Nuran balances this risk by continuously assessing the condition of its sales pipeline and making the appropriate adjustments as far in advance as possible. Nuran's strategy also includes a comprehensive program to build and improve relationships with our long-standing customers to better understand needs and proactively manage incoming business levels effectively.

Foreign Exchange Risk

Nuran's sales are mainly outside Canada and are generally conducted in currencies other than the Canadian dollar, while a majority of our product research and development expenses, integration services, customer support costs and administrative expenses are in Canadian dollars. Fluctuations in the value of foreign currencies relative to the Canadian dollar can negatively, or positively, impact Nuran's financial results.

Outsourcing Risk

Nuran outsources the manufacture of our products to third parties. If they do not properly manufacture our products or cannot meet our needs in a timely manner, we may be unable to fulfill our product delivery obligations and our costs may increase, and our revenue and margins could be negatively impacted. Our reliance on third-party manufacturers subjects us to a number of risks, including the absence of guaranteed manufacturing capacity and the inability to control the amount of time and resources devoted to the manufacture of our products. To mitigate this dependency, we have relationships with two separate manufacturing service providers and maintain contact with additional alternative suppliers in case our primary manufacturing sources should be disrupted.

Competition

Nuran must contend with strong international competition. Therefore, there are no guarantees that Nuran can maintain its competitive position. However, its unique services and products, and skilled human resources give it a competitive edge in several markets.

Fluctuating Revenues

Most of Nuran's contracts are not covered by long-term agreements except for the wireless business with Non-Refundable-Non-Cancelable Purchase Orders with its major client.

Availability and Cost of Qualified Professionals

The high-technology industry's strong growth increased the demand for qualified staff Nuran seeks to provide competitive compensation arrangements to retain and attract highly skilled personnel that are important to its business, including salaries, bonus arrangements and share incentive arrangements. The Directors believe that our compensation arrangements are competitive and adequate to allow Nuran to retain and attract the necessary calibre of employees. The loss of any board member, senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on our business.

Ability to Develop and Expand Mix of Products and Services to Keep Pace with Demand and Technological Trends

Nuran uses several means to remain on the cutting edge and to meet its customers' changing needs—steady investments in product development and improvements, business alliances with major industry suppliers and partners, ongoing training of its personnel and occasional business acquisitions that provide it with specific know-how.

Protection of Intellectual Property

To protect its intellectual property, Nuran relies on a series of patent and trademark laws, provisions respecting trade secrets, confidentiality protection measures, and various contracts. Regardless of all the efforts made to retain and protect its exclusive rights, third parties could attempt to copy aspects of its products or obtain information regarded as exclusive without authorization. There can be no assurance that the measures taken by Nutaq to protect its exclusive rights will be sufficient.

Dependence on Customers

Nuran is currently dependent on a limited number of customers for the sale of its products and services. If one or several of these customers should cease doing business with Nutaq for any reason, or should reduce or defer their current or planned product purchases, Nuran's operating results and financial position could be adversely affected.

Inventory Qualification

The audit report accompanying the audited financial statements of Nutaq for the financial year ended October 31, 2014 and 2013 contains a reservation with respect to the opening and closing inventory balances and a reservation for the opening inventory balance for the year ended October 31, 2014 (the "Inventory Reservation"). The Inventory Reservation was included in the audit report due to the fact that the auditor was appointed by Nutaq during the 2014 fiscal year and was not able to observe the physical counting of inventories for any period prior to January 31, 2014.

Market Risk

There is currently no market through which the common shares of Nuran may be resold and shareholders may not be able to sell the common shares owned by them. This may affect the price of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. Nuran has submitted an application to list its common shares on the Canadian Stock Exchange (the "CSE"). Listing will be subject to the Company fulfilling all of the listing requirements of the CSE. There is no assurance that the common shares of the Company will be listed on the CSE as planned or at all.

International Operations Risk

Our international operations are subject to various economic, political and other uncertainties that could adversely affect our business. In fiscal 2014, 2013 and 2012, approximately 40%, respectively, of our sales were derived from sales outside the United States, and economic conditions in the countries and regions in which we operate significantly affect our profitability and growth prospects. The following risks, associated with doing business internationally, could adversely affect our business, financial condition and results of operations:

- regional or country specific economic downturns;

- fluctuations in currency exchange rates, particularly the South African rand, Canadian dollar, and British pound sterling;
- complications in complying with a variety of foreign laws and regulations, including with respect to environmental matters, which may adversely affect our operations and ability to compete effectively in certain jurisdictions or regions;
- international political and trade issues and tensions;
- unexpected changes in regulatory requirements, up to and including the risk of nationalization or expropriation by foreign governments;
- higher tax rates and potentially adverse tax consequences including restrictions on repatriating earnings, adverse tax withholding requirements and double taxation;
- greater difficulties protecting our intellectual property;
- increased risk of litigation and other disputes with customers;
- fluctuations in our operating performance based on our geographic mix of sales;
- longer payment cycles and difficulty in collecting accounts receivable;
- costs and difficulties in integrating, staffing and managing international operations, especially in rapidly growing economies;
- transportation delays and interruptions;
- natural disasters and the greater difficulty in recovering from them in some of the foreign countries in which we operate, especially in countries prone to earthquakes, such as Africa;
- uncertainties arising from local business practices and cultural considerations;
- customs matters and changes in trade policy, tariff regulations or other trade restrictions; and
- national and international conflicts, including terrorist acts.

We expect that the percentage of our sales occurring outside the United States will increase over time largely due to increased activity in Africa and other emerging markets. The foregoing risks may be particularly acute in emerging markets, where our operations are subject to greater uncertainty due to increased volatility associated with the developing nature of the economic, legal and governmental systems of these countries. If we are unable to successfully manage the risks associated with expanding our global business or to adequately manage operational fluctuations, it could adversely affect our business, financial condition or results of operations.

Increased Costs of Being a Publicly Traded Company

As we have publicly-traded securities, securities legislation and the rules and applicable exchange policies require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase our legal and financial compliance costs.

Litigation

In the normal course of Nuran's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. The Company is currently subject to certain litigation and regulatory actions, for a summary please see "Legal Proceedings" in Schedule "A" to this Material Change Report above.

1.10 Other MD&A Requirements

Additional Information relating to Nutaq Innovation Inc. can be found at the Company's head office at: 2150 Cyrille-Duquet Street, Quebec, Quebec G1N 2G3.

Selected Annual Information

	Year ended October 31, 2014 (Audited) ($)	Year Ended October 31, 2013 (Restated and Audited) ($)	Year Ended October 31, 2012 (Restated and Unaudited) ($)
TOTAL REVENUES	5,593,430	6,404,880	5,338,236
GENERAL AND ADMINISTRATIVE EXPENSES	1,812,831	2,542,351	3,639,986
NET INCOME (LOSS)	(3,488,639)	(2,625,283)	(6,286,200)
NUMBER OF SHARES	10,424,696	143	143
LOSS/ SHARE	(0.45)	(0.42)	(1.01)
TOTAL ASSETS	4,685,502	7,171,793	4,291,708
CURRENT LIABILITIES	4,358,686	4,953,313	1,270,163
TOTAL LIABILITIES	9,703,264	14,221,008	8,715,640
SHARE CAPITAL	8,070,407	2,550,315	2,550,315
RETAINED EARNINGS (DEFICIT)	(13,008,169)	(9,599,530)	(6,974,247)
CASH FLOW FROM (USED IN) OPERATIONS	535,144	(2,905,766)	(2,454,486)

Results of Operations

The following sets forth summary financial information for the periods indicated and is derived from Nutaq's ("Nutaq or the "Company") audited financial statements for the year ended October 31, 2014, the restated audited financial statements for the year ended October 31, 2013 and the restated and unaudited financial statements for the Company for the year ended October 31, 2012.

Starting in 2012, Nutaq introduced a product oriented business model. As a consequence, the company's research and development team concentrated its engineering resources to develop new wireless product and to improve its current product line. Therefore, the engineering services revenue stream would decrease overtime. This line of business is now geared towards modifying or adapting current product line to suit client's features and requirements. As part of these engineering contract, Nutaq aims to retain intellectual property and rights over most of engineering projects.

The objective of this major shift is to generate a more sustainable and growing business model. Introduced in 2013, the new wireless infrastructure product line took a significant proportion of the revenue streams which was over 30% in 2013 and more than 50% in 2014.

As part of this business model realignment, the ADP product line was improved and converted into a scalable, modular approach and is now sold as fully integrated systems and software tools for specific market like wireless and scientific instead of combination of electronic boards.

Discussion of Operations

Nutaq's historical data related to revenues has always shown a strong first quarter whereas the second and third quarters have been similar. Compared to fiscal 2012 and 2013, the ADP product line has been growing in terms of number of systems sold but also in terms of purchase order size. However, revenues are still stable. During this last year ended October 31, 2014, most of ADP revenues were coming from large repeat orders from established clients. The engineering service revenue stream remains stable compared to 2013. Most of the engineering work has been concentrated in the development of Nutaq's own equipment and products. Sold on hourly basis or on a fix bid model, the average rate per hour is $125.00. Most of 2014 engineering service revenue comes from a large contract form Singapore Defense Organization to deliver a Mesh Network System based on Nutaq technology.

The wireless product continues to grow as expected especially due to a major OEM customer deploying product to operators. The pricing is still aligned with our 2013 pricing structure. Since majority of our revenue are billed in USD, another positive element is the currency exchange rate that led Nutaq's revenue to grow by 6,285% compare to 2013 (average exchange rate USD vs CDN was 1.029914 for 2013 compare to an average of 1,0906 for the year ended October 31, 2014, and an average of 1,1217 only for the month of October 2014).

No other significant factors that caused changes in total revenue have been identified. The overall cost of sales passed from 56% to 68% of the total revenues in this current year versus the previous year ended October 31, 2013. The OEM pro rata distribution of the Nutaq revenues has more than doubled between 2013 and 2014.

OEM revenues is associated to higher cost of sales, this has the effect to increase the overall cost of sales. Also, in 2014, the inventory was reduced by more than $300k to take into account corrections like obsolescence and other inventory adjustment. This also had the effect to increase the cost of sale during this period. Overall however, the cost of goods was decreased due to the effect of reduction of R&D staffing and the fact that part of the revenues in 2013 was due to TVWS engineering revenues for which the cost of sales were very low.

As a significant sale growth is anticipated for GSM in the developing countries, Nutaq has continued to invest R&D effort in improving its GSM product. The goal was to reduce manufacturing cost and improve profit margin. The design started last March and is expected to be completed with a first revision for production by May 2015 for a Tier one client specific request. The total expenditure as of October 2014 is $350k and the anticipated remaining cost is about $650k. The associated revenues are expected to ramp up as soon as the improved product is available.

Beside the above hardware platform, Nutaq has also invested R&D effort in improving the GSM software IP. It has licensed a 3rd party GSM software IP last March 2014 (at a cost of $246k USD$272k, of which $40.8k CDN has been paid, the remaining to be paid after completing the integration), which is since being integrated into its GSM hardware platform. In addition to the licensing cost, Nutaq has spent about $70k and anticipates to spend another $90k in labor for the HW-SW integration. The first release to customer is targeted for second quarter for 2015, with gradual rollouts/incremental R&D enhancements/expenses moving forward.

Nutaq has also started investing R&D effort into the revision and upgrade of the current LiteCell allowing growth sale to existing tier one client and 4G LTE product. LTE sales is believed to gradually follow the GSM roll outs as customers become interested in data services in addition to the GSM voice service. To date, the total expenditures of $457k for the software IP licensing, and $60k of labor to build a lab prototype.

1.1 Summary of Quarterly Results

	August 1st to October 31st 2014 (Q4) (Unaudited) ($)	**May 1st to July 31st, 2014 (Q3) (Unaudited) ($)**	**February 1st to April 30th, 2014 (Q2) (Unaudited) ($)**	**November 1st , 2013 to January 31st, 2014 (Q1) (Unaudited) ($)**
Engineering Services	315,879	239,754	280,934	199,840
Advanced Development Platform(ADP)	402,130	660,539	591,729	872,318
Wireless Product	552,209	435,917	492,235	632,315
Special Project – TVWS	0	0	0	0
Others	187,348	38,509	22,223	68,351
Total Revenues	**1,457,566**	**1,374,719**	**1,387,121**	**1,772,824**

1.2 Liquidity and Capital Resources

Nutaq has from 2012 to 2014 reinvested cash generated from operations into research and development. This has created a low liquidity base. However, Nutaq has secured a factoring line, which provides the company with additional resources and secures all working capital needs. In recent months, Nutaq has reduced its factoring to reduce financial costs and secured lender converted an amount of 5.1M of its long term debt in equity in the company. Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring forecasts of cash inflows and outflows due in day-to-day business. Net cash requirements on day-to-day, week-to-week and 30-day projections are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient since financing facilities are already in place. Thus, liquidity shortages are forecasted well in advance and can be addressed right away.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade accounts receivables. The Company's existing cash resources and its trade accounts receivable are insufficient to cover the current cash outflow requirement and, therefore, the Company has available borrowing facilities. Cash flows from trade and other receivables are all contractually due within six months.

The factoring line that the company has, enables Nutaq to generate liquidity when the products are shipped. Further, some of Nutaq's customers have agreed to upfront payment terms which finance the production of Nutaq's products. In case, of liquidly shortage Nutaq is able to reduce development expenditure dramatically as well as finance its purchasing orders through a factoring partner.

In the year ended October 31, 2014, Nutaq had around 50% of its revenues attributed to Wireless Products and approximately the same percentage to the ADP/BAS business unit. Looking at the table below representing the % of amount we pay our different suppliers in order to start producing a unit, it can be seen that for Wireless Products business unit, almost 70% of the amount of the cost of sales is required to be paid before being able to finish producing the units to deliver while this percentage is about 7% for the ADP business unit.

CATEGORY OF REVENUE	Up front payment	Cash on Delivery	NET 30
OEM	46.9%	21.8%	31.3%
BAS	4.0%	3.3%	92.7%

For the Wireless business units, the fact the upfront payment required to start production is paid in full by some of Nutaq customers helps the working capital and liquidity. However, the goal going forward will be to work with suppliers to relax payment terms with actual suppliers and if not possible, qualify new suppliers with whom this exercise will be possible.

Regarding ADP business unit, the payment terms are more flexible for Nutaq as seen above in the table. Also, another factor which helps is the fact that a certain percentage of BAS customers pay some upfront payment while purchasing their products, paying around 20% of the cost of good at the moment of passing their purchase order.

The Company believes this is beneficial as most of the production done for the BAS business units subassemblies were done prior to receiving the PO from the customer. Starting those productions before receiving the actual PO from the customer is absolutely required in order to deliver the products in a timely fashion (which is less than the actual manufacturing lead-time it takes to actually build and test those units). This exercise is done by following strict rules of forecast analysis, and producing and buying in a just in time fashion using kanban stock or other relevant buying strategy.

From a review of the stock turnover coefficient in the last 3 years, the inventory turnover coefficient has been increased each quarter facilitating working capital going from 0.7 to 2.0, and thus increasing turnover coefficient by a factor of 3 during that period.

Off Balance Sheet Arrangements

At October 31, 2014, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any other obligations that trigger financing, liquidity, market or credit risk to the Company.

Related Party Transactions

The Company's related parties include companies under common control as well as key management personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

During the period, the company entered into the following transactions with related parties:

	2014-10-31 (9 months) $	2013-10-31 (9 months) Unaudited $	2014-10-31 (12 months) $	2013-10-31 (12 months) $	2012-10-31 (12 months) Unaudited $
Companies under common control					
Administrative expenses	254,891	114,294	266,561	122,475	129,377
Financial Expenses	786,433	866,293	1,104,305	1,084,393	920,424
Companies controlled by a Director					
Administrative Expenses		96,000		132,000	84,000
Financial expenses		58		58	

	2014-07-31 (9 months)	2013-10-31 (12 months)	2012-10-31 (12 months) Unaudited
	$	$	$
Companies under common control			
Administrative expenses	83,318	122,475	129,377
Financial expenses	1,015,764	1,084,393	920,424
Companies controlled by a director			
Administrative expenses		132,000	84,000
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The Company's key management consists of the directors and executives. The key management personnel remuneration totals $488,809 for the year ended October 31, 2014; $580,944 for the year ended October, 2013; and $456,760 for the year ended October 31, 2012).

Financing

No share purchase warrants or stock options were outstanding at any time during the year ended October 31, 2014.

Proposed Transactions

There are no proposed transactions at the date of this report.

Risks and Uncertainties

See "Risks and Uncertainties" in the MD&A summary of the January 31, 2015 quarter above.

Other MD&A Requirements

Additional Information relating to Nutaq Innovation Inc. can be found at the Company's head office at: 2150 Cyrille-Duquet Street, Quebec, Quebec G1N 2G3.

Nutaq Innovation Inc.
YEAR ENDED OCTOBER 31, 2013
Management's Discussion and Analysis of Financial Position and Results of operation

1.1 Date of Report

The following information as of October 31, 2013, should be read in conjunction with the audited financial statements of Nutaq Innovation Inc. ("the Company") for the years ended October 31, 2013 and 2012. The financial statements of the Company for the year ended October 31, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

1.2 Selected Annual Information

	Year Ended October 31, 2013 Unaudited ($)	**Year Ended October 31, 2012 Unaudited ($)**
Engineering Services	1,177,289	2,992,400
Advanced Development Platform(ADP)	2,217,014	2,268,375
Wireless Product	1,596,241	129,613
Special Project – TVWS	1,274,786	0
Others	139,550	17,848
Total Revenues	6,404,880	5,338,236
General and Administrative expenses	2,542,351	3,639,986
Net income (loss)	(2,625,283)	(6,286,200)
Total assets	7,171,793	4,291,708
Current liabilities	4,953,313	1,270,163
Total liabilities	14,221,008	8,715,640
Share capital	2,550,315	2,550,315
Retained earnings (deficit)	(9,599,530)	(6,974,247)
Cash flow from (used in) operations	(2,905,766)	(2,454,486)

1.3 Results of Operations

The following sets forth summary financial information for the periods indicated and is derived from Nutaq's financial statements for the year ended October 31, 2014, and the financial statements for the Company for the year ended October 31, 2012.

Starting in 2012, Nutaq introduced a product oriented business model. As a consequence, the company's research and development team concentrated its engineering resources to develop new wireless product and to improve its current product line. Therefore, the engineering services revenue stream would decrease overtime. This line of business is now geared towards modifying or adapting current product line to suit client's features and requirements. As part of these engineering contract, Nutaq aims to retain intellectual property and rights over most of engineering projects.

The objective of this major shift is to generate a more sustainable and growing business model. Introduced in 2013, the new wireless infrastructure product line took a significant proportion of the revenue streams which was over 40% in 2013.

As part of this business model realignment, the ADP product line was improved and converted into a scalable, modular approach and is now sold as fully integrated systems and software tools for specific market like wireless and scientific instead of combination of electronic boards.

Discussion of Operations

Aside from the TVWS contract, the revenues remained stable between 2012 and 2013. There were no significant changes in the product pricing structure. The revenue proportions were impacted by the business model shift. In 2012, 56% of the revenues was coming from large engineering service contract which were ending in 2012-13. The ADP revenues remained stable. In 2013, the introduction of GSM wireless product converted into a dramatic increase in revenues from $129,613 to $1,596,241. During that period, Nutaq started to deliver its product line to different OEM clients. The cost of the wireless product line is based on volume so varies from $558 to $995 for the Super Femto and $2,200 to $5,000 for the LiteCell. The revenue stream called OTHERS is negligible compare to the total amount. This revenues line combines deferred revenue, work in progress and components transfer to our contract manufacturers.

For the year ended October 31, 2013, we can see a cost of sales representing around 56% of total revenues (cost of sales of 3.6M compared to revenues of 6.4M). Those costs are consistent with the typical margin Nutaq gets for each business units and how each of those business units' revenues are spread. More than 67% of the cost of sales of $3.6 Million is attributable to material cost of goods associated to producing the different products associated to those revenues. The other 33% is attributable to production, R&D, technical support and control quality staffing.

Nutaq has invested into the R&D of TVWS (TV White Spaces), an emerging technology that makes use of vacant broadcast television channels for providing wireless connectivity to remote and rural areas, i.e., low population density areas where wired services are not available/profitable. The wireless link can be used for several applications, such as providing Internet services to resident, schools or businesses, for connecting remote GSM base stations to voice operators, or for connecting machines posted in a remote location with a monitoring station. Nutaq has invested about $244k in exploring this technology, attending conferences and discussing with vendors and partners, before proceeding with a demo trial in Swaziland, Africa, which was completed in May 2013 (equipment, travel, and labor of about $180k expensed into this trial). Since then a commercial deployment is being negotiated ($600k of equipment), as well as other deployments being discussed with other prospects, such as in Democratic Republic of the Congo, Tchad, Vermont and Haiti.

For the year ended October 31st 2013, we can see that the cost of sales has increased from 45% to about 56% from October 31st 2012. This is mainly due to the fact that a big part of the revenues was shifted from the turnkey business unit to the OEM business unit while ADP/BAS revenues staying pretty much the same. The turnkey business unit has a very low cost of sales in term of material expenses (10% to 25% depending on the contract), and that the OEM business revenues are always associated with a higher cost of sales in term of material expenses (55% to 65%). Thus, the overall cost of sales for year finishing October 31st 2013 is mainly explained by the fact that the turnkey business units was less than one third the pro rata value of the company revenues of the year before (decreasing from 56% to 18% from 2012 to 2013) and that the OEM business has increased from 2% to around 25% in terms of relative company revenues. This change in cost of sale is thus aligned with Nutaq strategy which is to move towards short term scalable revenues, which is not possible while focusing on the turnkey business unit.

1.4 Liquidity and Capital Resources

Nutaq has from 2012 to 2013 reinvested cash generated from operations into research and development. This has created a low liquidity base. However, Nutaq has secured a factoring line, which provides the company with additional resources and secures all working capital needs. The Company manages its liquidity needs by monitoring forecasts of cash inflows and outflows due in day-to-day business. Net cash requirements on day-to-day, week-to-week and 30-day projections are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient since financing facilities are already in place. Thus, liquidity shortages are forecasted well in advance and can be addressed right away.

Nutaq management believes that Nutaq is well positioned to secure cash and cash equivalents for their ongoing operations, its sales expansion as well as development activities. The factoring line that the company has, enables Nutaq to generate liquidity when the products are shipped. Further, some of Nutaq's customers have agreed to upfront payment terms which finance the production of Nutaq's products. In case, of liquidly shortage Nutaq is able to reduce development expenditure dramatically as well as finance its purchasing orders through its factoring partner.

Off Balance Sheet Arrangements.

At October 31, 2013, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any other obligations that trigger financing, liquidity, market or credit risk to the Company.

1.5 Related Party Transactions

The Company incurred the following charges from directors and former directors of the Company, companies controlled by directors of the Company or companies with common directors:

- Bleu Gestion: monthly $20,000 advisory fees
- Finexcorp: Financing fees according to factoring agreement
- Loan of $3.5 Million from Finexcorp. Inc. to Nutaq.
- Philip Kirsch Loan of $1.5 Million to Nutaq.

1.6 Financing

No share purchase warrants or stock options were outstanding at any time during the year ended October 31, 2013.

1.7 Proposed Transactions

There are no proposed transactions at the date of this report.

1.8 Forward Looking Statements

Statements throughout this MD&A that are not historical facts may be considered "forward looking statements." Some of the statements contained herein including, without limitation, financial and business prospects and financial outlooks may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward looking statements. These statements reflect management's current beliefs and are based on information currently available to management.

Readers are cautioned not to place undue reliance on these forward-looking statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

1.9 Risks and Uncertainties

See "Risks and Uncertainties" in the MD&A summary of the January 31, 2015 quarter above.