

Nuran Wireless inc.
Condensed Interim
Financial Statements
April 30, 2017 and
April 30, 2016

Financial Statements

Condensed Interim Statements of Comprehensive Income	2
Condensed Interim Statements of Changes in Deficiency	3
Condensed Interim Statements of Cash Flows	4
Condensed Interim Statements of Financial Position	5
Notes to Condensed Interim Financial Statements	6 - 17

The condensed interim financial statements of Nuran Wireless inc. for the second quarter ended April 30, 2017 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

Nuran Wireless inc.**Condensed Interim Statements of Comprehensive Income**

Periods ended April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

	<i>3 months ended</i>		<i>6 months ended</i>	
	<u>2017-04-30</u>	<u>2016-04-30</u>	<u>2017-04-30</u>	<u>2016-04-30</u>
	\$	\$	\$	\$
Revenue	1 225 293	1 510 688	2 330 049	3 091 207
Cost of sales	716 861	769 634	1 263 568	1 486 063
Gross profit	508 432	741 054	1 066 481	1 605 144
Selling expenses	368 148	235 865	705 012	486 454
Administrative expenses	678 222	321 253	1 331 644	609 406
Financial expenses	151 023	97 960	278 147	322 439
Research and development costs, net of \$115,996 in tax credits for the three-month period ended April 30, 2017, \$265 715 for the six-month period ended April 30, 2017 (\$173,991 for the three-month period ended April 30, 2016, \$335,654 for the six-month period ended April 30, 2016)	247 295	311 804	508 569	641 858
	1 444 688	966 882	2 823 373	2 060 157
Loss before other gain (loss)	(936 256)	(225 828)	(1 756 892)	(455 013)
Other gain (loss)				30 386
Net loss and total comprehensive income	(936 256)	(225 828)	(1 756 892)	(424 627)
Loss per share (Note 13)				
Basic and diluted loss per share	(0,01)	(0,01)	(0,02)	(0,01)
Weighted average number of outstanding common shares	106 769 992	40 991 429	105 505 116	40 728 794

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

Nuran Wireless inc.**Condensed Interim Statements of Cash Flows**

Periods ended April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

	2017-04-30 (6 months)	2016-04-30 (6 months)
	<u>\$</u>	<u>\$</u>
OPERATING ACTIVITIES		
Net loss	(1 756 892)	(424 627)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	57 012	55 251
Depreciation of intangible assets	47 613	22 339
Exchange difference on long-term debt		(23 715)
Issue of class "A" shares for a non-cash consideration		
Non-employee share-based transaction	723 819	
Issue of warrants		146 963
Net change in working capital items		
Trade and other receivables	(456 067)	(801 415)
Subscription receivable		
Scientific research and experimental development tax credits receivable	(318 389)	4 109
Work in progress	211 742	
Inventories	(496 602)	173 044
Prepaid expenses	(93 213)	(54 473)
Security deposits and deposits on purchase of goods	125 711	(61 098)
Trade and other payables	214 437	(112 903)
Deferred revenue	(327 282)	(126 125)
Net cash from operating activities	<u>(2 068 109)</u>	<u>(1 202 650)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(104 165)	(269 785)
Purchase of intangible assets	(1 687 057)	(2 037)
Net cash used in investing activities	<u>(1 791 222)</u>	<u>(271 823)</u>
FINANCING ACTIVITIES		
Net change in loan payable	59 267	1 403 368
Long-term debt	4 368 466	
Repayment of long-term debt	(874 577)	(24 051)
Issue of class "A" shares	833 294	
Share cost issue	(54 966)	
Net cash used in financing activities	<u>4 331 483</u>	<u>1 379 317</u>
Net decrease in cash	472 152	(95 156)
Cash, beginning of period	<u>111 097</u>	<u>147 448</u>
Cash, end of period	<u><u>583 249</u></u>	<u><u>52 292</u></u>
Supplementary information		
Interest paid included in operating activities	44 786	90 954

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

Nuran Wireless inc.**Condensed Interim Statements of Financial Position**

Periods ended April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

	<u>2017-04-30</u>	<u>2016-10-31</u>
	\$	\$
ASSETS		
Current		
Cash	583 249	111 097
Trade and other receivables	1 024 333	568 266
Subscriptions receivable		
Scientific research and experimental development tax credits receivable	821 251	502 862
Work in progress		211 742
Inventories (Note 5)	1 803 638	1 307 036
Prepaid expenses	125 089	31 876
Security deposits and deposits on purchase of goods	29 072	154 783
Current assets	<u>4 386 631</u>	<u>2 887 662</u>
Non-current		
Property, plant and equipment (Note 6)	520 784	473 632
Intangible assets (Note 7)	2 855 174	1 215 730
Non-current assets	<u>3 375 957</u>	<u>1 689 362</u>
Total assets	<u><u>7 762 588</u></u>	<u><u>4 577 024</u></u>
LIABILITIES		
Current		
Trade and other payables	2 049 395	1 834 958
Deferred revenue		327 282
Loans payable (Note 8)	464 587	405 320
Current portion of long-term debt	22 028	59 587
Current liabilities	<u>2 536 010</u>	<u>2 627 147</u>
Non-current		
Long-term debt (Note 9)	4 781 035	1 249 588
Total liabilities	<u><u>7 317 044</u></u>	<u><u>3 876 735</u></u>
DEFICIENCY		
Share capital (Note 10)	18 720 200	18 083 539
Contributed Surplus	1 433 953	568 467
Deficit	<u>(19 708 609)</u>	<u>(17 951 717)</u>
Total deficiency	<u>445 544</u>	<u>700 289</u>
Total deficiency and liabilities	<u><u>7 762 588</u></u>	<u><u>4 577 024</u></u>

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

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company is incorporated under the Business Corporations Act (B.C.) 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 consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. Accordingly, they do not include all the disclosures required under IFRS for annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the 2014 audited annual financial statements of Nutaq Innovation Inc included in the Listing Form 2A dated September 16, 2015 as completed and published on the CSE. 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 six-month period ended April 30, 2017 and the past years 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 its main products, which are distributed in many countries. 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. 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 consolidated financial statements and the condensed interim consolidated 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 consolidated financial statements were approved and authorized for issue by the Board of Directors on June 28, 2017.

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

3 - THE ARRANGEMENT AND AMALGAMATION AGREEMENT

Nuran Wireless Inc. (the "Company") was incorporated under the *Business Corporations Act* (B.C.) on September 23, 2014 under the name "1014372 B.C. Ltd." The Company was formed in connection with the plan of arrangement (the "Arrangement") between 1014379 B.C. Ltd 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.

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, the Company became a reporting issuer in Alberta and British Columbia and existing Bravura shareholders received 2,121,875 common shares of the Company pursuant to the terms of the Arrangement and a further 5,350,000 common shares were issued to subscribers of a private placement of the Company completed in connection with the Arrangement for gross proceeds of \$107,000.

The Company 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 the Company formed for the purpose of the amalgamation, (the "Amalgamation Agreement") pursuant to which the Company acquired all of the issued and outstanding shares of Nutaq in consideration of an aggregate 32,999,994 common shares of the Company based on a ratio of 2.749 common shares of the Company for each share of Nutaq issued and outstanding at the closing date. Following the closing of the transaction, the Company 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 the Company. Following closing of the Amalgamation Agreement the Company operates the prior business of Nutaq through its sole operating subsidiary, Nutaq.

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 fair value of the consideration is as follows:

	\$
7,471,875 shares issued and outstanding	107,000
One share issued and outstanding	1
	<u>107,001</u>

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

The allocation of consideration is as follows:

	\$
Cash	171
Trade and other payables	(34,132)
Listing fees expensed	140,962
	<u>107,001</u>

For the year ended October 31, 2015, the Company incurred legal and accounting fees directly related to the transaction in the amount of \$1,119,018, which are included in the administrative expenses in the consolidated statements of comprehensive income

4 - SUMMARY OF ACCOUNTING POLICIES

Overall considerations

The accounting policies are in accordance with those used in the preparation of the 2016 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, 2016.

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

5 - INVENTORIES

	<u>2017-04-30</u>	<u>2016-04-30</u>
	\$	\$
Raw materials	1 013 508	590 968
Finished goods	790 130	664 943
	<u>1 803 638</u>	<u>1 255 911</u>

For the six-month period ended April 30, 2017, \$39 079 and \$21 903 for the three-month period ended April 30, 2017 (\$33 261 for the six-month period ended April 30, 2016, \$24 191 for the three-month period ended April 30, 2016) of inventories was included in profit or loss as an expense resulting from the write-down of inventories.

6 - PROPERTY, PLANT AND EQUIPMENT

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

	<u>2017-04-30</u>			
	<u>Leasehold improvements</u>	<u>Equipment and furniture, tele-communication system, furniture and fixtures</u>	<u>Computer equipment</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Gross carrying amount				
Balance as at November 1, 2016	9 945	524 439	315 094	849 478
Additions		86 061	18 104	104 165
Balance as at April 30, 2017	9 945	610 500	333 198	953 643
Depreciation				
Balance as at November 1, 2016	6 835	192 472	176 539	375 846
Depreciation	3 109	35 719	18 184	57 013
Balance as at April 30, 2017	9 945	228 191	194 723	432 859
Carrying amount as at April 30, 2017		<u>382 309</u>	<u>138 475</u>	<u>520 784</u>

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

7 – INTANGIBLE ASSETS

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

	2017-04-30		
	<u>Acquisition software</u>	<u>Trademarks</u>	<u>Total</u>
	\$	\$	\$
Gross carrying amount			
Balance as at November 1, 2016	1 395 654	53 375	1 449 029
Additions	1 683 729	3 328	1 687 057
Balance as at April 30, 2017	<u>3 079 383</u>	<u>56 703</u>	<u>3 136 086</u>
Depreciation			
Balance as at November 1, 2016	233 299		233 299
Depreciation	47 613		47 613
Balance as at April 30, 2017	<u>280 912</u>		<u>280 912</u>
Carrying amount as at April 30, 20167	<u><u>2 798 471</u></u>	<u><u>56 703</u></u>	<u><u>2 855 174</u></u>

8 - LOANS PAYABLE

	<u>2017-04-30</u>	2016-10-31
	\$	\$
Loan from companies under common control (a)	341 035	597,316
Unsecured debentures		735,000
Secured debentures (b)	4 250 000	
Valuation of warrants issued with debentures (c)	(805 003)	(124,950)
Cost of issuing debentures	(217 730)	(39,150)
	<u>3 741 219</u>	<u>544,157</u>

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

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

- a) 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 April 30, 2017, the Company has \$464 587 (\$802 093 as at October 31, 2016) 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 \$123 552 (\$396 773 as at October 31, 2016) 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 April 30, 2016, these terms are not respected.

- b) On February 27, 2017, the Company closed a fully subscribed brokered private placement of senior secured convertible debentures (each a "Debenture") for gross proceeds of \$3,500,000 (the "Offering") previously announced on February 7, 2017. Each Debenture matures 18 months following closing, bears interest an annual rate of 12% and is convertible, at the option of the Debentureholder, in whole or in part, into common shares in the capital of NuRAN at any time before the maturity date at a price of \$0.25 per common share subject to adjustment in the event that the Corporation issues common shares at a price below \$0.25 per share while the Debenture is outstanding. For each \$0.25 of Debenture purchased, subscribers will receive (i) one-half of one transferable share purchase warrant (an "A Warrant"), with each whole A Warrant entitling the holder thereof to acquire one common share at a price of \$0.30 per warrant share until the date that is 24 months from the closing date; and (ii) one-half of one transferable share purchase warrant (a "B Warrant"), with each whole B Warrant entitling the holder thereof to acquire one warrant share at a price of \$0.45 per share until the date that is 36 months from the closing date. In the event that the closing price of NuRAN's common shares on the Canadian Securities Exchange is \$0.60 or greater per common share during any twenty (20) consecutive trading days period at any time after 4 months from the Closing Date and within 24 months after the closing date, the B Warrant will expire, at the sole discretion of NuRAN, at 4:00 p.m. (Toronto time) on the 30th day after the date on which NuRAN provides notice of acceleration to the B Warrant holders. The Corporation shall be entitled to prepay the full amount of the Debentures without penalty at any time after 6 months from their issuance date.

A commission was paid to the selling agents in connection with the private placement consisting of a cash payment in the aggregate amount of \$185,200 and the issuance of broker warrants entitling the agents to purchase up to 740,800 broker warrants. Each Broker Warrant is exercisable into (a) one common share; (b) one half of one A Warrant; and (c) one half of one B Warrant, at an exercise price of \$0.25 per Broker Warrant, for a period of 24 months from the closing date. All securities issued

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

pursuant to the Offering are subject to a statutory hold period expiring four months and one day after closing. Garfinkle Biderman LLP acted as counsel for the Agent in connection with the Offering.

- c) The A warrants were assigned a value of \$402 502 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.73%; expected volatility 75%; expected dividend yield of 0% and an expected life of two years. Expected volatility was based on the historical volatility of other comparable listed companies.

The B warrants were assigned a value of \$.402 502 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.73%; expected volatility 75%; expected dividend yield of 0% and an expected life of three years. Expected volatility was based on the historical volatility of other comparable listed companies.

9 - 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 \$4 659 469.

10 - SHARE CAPITAL

	<u>2017-04-30</u>	<u>2016-10-31</u>
	<u>\$</u>	<u>\$</u>
Class "A" shares (a)	<u>18,855,200</u>	<u>18,083,539</u>
	<u>18,855,200</u>	<u>18,083,539</u>

- (a) The number of issued class "A" shares totals 106,778,871 at April 30, 2017 (97,134,420 as at October 31, 2016).

On November 17, 2016, the Company closed an additional tranche of its previously announced brokered private placement of 7,058,000 at a price of \$0.15 for aggregate gross proceeds of \$1,058,700.15 (the "Offering") with lead agent First Republic Capital Corporation (the "Agent") in accordance with the terms of the agency agreement dated effective as of July 12, 2016 with the Agent. In connection with the

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

closing of the Offering the Agent and certain sub-agents received aggregate cash commission of \$54,966.01 and an aggregate of 366,440 warrants, with each warrant entitling the holder to acquire an additional common share at an exercise price of \$0.15 per common share for a period of twenty-four (24) months following the closing date.

On December 2, 2016, the Company has completed a debt settlement (the “Debt Settlement”) with a company jointly controlled by Martin Bedard and Patrice Rainville (each directors and officers of the Corporation) pursuant to which the Corporation settled \$262,500 of outstanding shareholder loans in consideration of the issuance of 1,750,000 common shares of the Corporation at a deemed price of \$0.15 per share. All securities issued pursuant to the Debt Settlement are subject to a statutory hold period expiring four months and one day after closing.

On February 28, 2017, 50 000 Broker warrants were exercised at the exercise price of 0.15\$

On March, 2017, 12 000 Broker warrants were exercised at the exercise price of 0.15\$

11 – WARRANTS

The following is a summary of the activity of warrants:

	Six months ended April 30, 2017	
	Number of warrants	Weighted average exercise price
Balance, beginning of period	6,033,412	0.40
Granted during the period	18,107,240	\$ 0.37
Balance, end of period	24,140,652	\$ 0.38

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

The following is a summary of warrants outstanding at April 30, 2017:

	Number outstanding	Value
Issued December 22, 2015 Exercise price of \$0.45 expiring December 22, 2017	2,497,999	\$ 49,755
Issued April 19, 2016 Exercise price of \$0.45 expiring April 19, 2018	2,449,999	\$ 51,890
Issued July 12, 2016 Exercise price of \$0.15 expiring July 12, 2018	864,667	\$ 64,592
Issued September 20, 2016 Exercise price of \$0.15 expiring September 20, 2018	220,747	\$ 19,331
Issued November 17, 2016 Exercise price of \$0.15 expiring November 17, 2018	366,440	\$ 27,483
Issued February 27, 2017 Exercise price of \$0.30 expiring February 27, 2019	8,500,000	\$ 382,500
Issued February 27, 2017 Exercise price of \$0.25 expiring February 27, 2019	370,400	\$ 20,002
Issued February 27, 2017 Exercise price of \$0.45 expiring February 27, 2020	8,500,000	\$ 382,500
Issued February 27, 2017 Exercise price of \$0.25 expiring February 27, 2020	370,400	\$ 20,002
	24,140,652	\$ 1,018,054

- (a) On February 27, 2017, the Company closed a fully subscribed brokered private placement of senior secured convertible debentures (each a "Debenture") for gross proceeds of \$3,500,000 (the "Offering") previously announced on February 7, 2017. Each Debenture matures 18 months following closing, bears interest an annual rate of 12% and is convertible, at the option of the Debentureholder, in whole or in part, into common shares in the capital of NuRAN at any time before the maturity date at a price of \$0.25 per common share subject to adjustment in the event that the Corporation issues common shares at a price below \$0.25 per share while the Debenture is outstanding. For each \$0.25 of Debenture purchased, subscribers will receive (i) one-half of one transferable share purchase warrant (an "A Warrant"), with each whole A Warrant entitling the holder thereof to acquire one

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

common share at a price of \$0.30 per warrant share until the date that is 24 months from the closing date; and (ii) one-half of one transferable share purchase warrant (a "B Warrant"), with each whole B Warrant entitling the holder thereof to acquire one warrant share at a price of \$0.45 per share until the date that is 36 months from the closing date. In the event that the closing price of NuRAN's common shares on the Canadian Securities Exchange is \$0.60 or greater per common share during any twenty (20) consecutive trading days period at any time after 4 months from the Closing Date and within 24 months after the closing date, the B Warrant will expire, at the sole discretion of NuRAN, at 4:00 p.m. (Toronto time) on the 30th day after the date on which NuRAN provides notice of acceleration to the B Warrant holders. The Corporation shall be entitled to prepay the full amount of the Debentures without penalty at any time after 6 months from their issuance date.

A commission was paid to the selling agents in connection with the private placement consisting of a cash payment in the aggregate amount of \$185,200 and the issuance of broker warrants entitling the agents to purchase up to 740,800 broker warrants. Each Broker Warrant is exercisable into (a) one common share; (b) one half of one A Warrant; and (c) one half of one B Warrant, at an exercise price of \$0.25 per Broker Warrant, for a period of 24 months from the closing date. All securities issued pursuant to the Offering are subject to a statutory hold period expiring four months and one day after closing. Garfinkle Biderman LLP acted as counsel for the Agent in connection with the Offering.

- (b) The warrants were assigned a value of \$883,054 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.48% to 0.73%; expected volatility 75%; expected dividend yield of 0%; expected life of two to three years and an exercise price of \$0.38. Expected volatility was based on the historical volatility of other comparable listed companies. As of April 30, 2017, the broker warrants have a value of \$156,988..

12-Options

The following is a summary of the activity of stock options:

	Six months ended April 30, 2017	
	Number of options	Weighted average exercise price
Balance, beginning of period	4,510,000	\$ 0.20
Granted during the period	825,000	0.30
Balance, end of period	5,335,000	\$ 0.25

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

The following is a summary of stock options outstanding at April 30, 2017:

	Number outstanding	Value
Issued July 12, 2016		
Exercise price of \$0.20 expiring July 12, 2021	4,510,000	\$ 382,899
Issued April 13, 2017		
Exercise price of \$0.30 expiring October 13, 2019	600,000	\$ 33,000
Issued April 13, 2017		
Exercise price of \$0.30 expiring April 13, 2022	225,000	\$
	5,335,000	\$ 415,899

- a) On April 13, 2017, the Company granted options to acquire an aggregate of 825,000 common shares of the Corporation to consultants and employees with an exercise price of \$0.30 per common share.

600,000 options were granted to consultants for a period of 30 months and will vest immediately. Each option entitles the holder thereof to purchase one common share in the capital of the Company at a price of \$0.30 per share until October 14, 2018.

225,000 options were granted to employees for a period of 60 months. 112,500 options will vest on the first anniversary of the date of grant and 112,500 options will vest on the second anniversary of the date of grant. Each option entitles the holder thereof to purchase one common share in the capital of the Company at a price of \$0.30 per share until April 14, 2022.

- b) The stock option were assigned a value of \$415,899 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.60% to 0.73%; expected volatility 75%; expected dividend yield of 0%; expected life of two and a half years to five years and an exercise price of \$0.25. Expected volatility was based on the historical volatility of other comparable listed companies.

13 - 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.

Nuran Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2017 and April 30, 2016

(In Canadian dollars)

(Unaudited)

14 - 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:

	2017-04-30 (3 months)	2016-04-30 (3 months)	2017-04-30 (6 months)	2016-04-30 (6 months)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Companies under common control				
Administrative expenses	107,824	37,743	179,486	90,486
Financial expenses	39,824	143,423	120,696	273,401

15 – POST-REPORTING DATE EVENTS

On May 16, NuRAN Wireless was selected for a rural connectivity project in Mexico, a collaboration with the Government. On May 25, the Company received a \$4M Order for Deployment in Africa for a Tier-One Operator and lately at the second TIP OpenCellular Workshop in Kenya, NuRAN introduced the OC-2G, a new Telecom Infra Project Product.