

**Nuran Wireless inc.**  
**Condensed Interim  
Financial Statements**  
**April 30, 2020 and  
April 30, 2019**

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The condensed interim financial statements of Nuran Wireless inc. for the second quarter ended April 30, 2020 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

**Nuran Wireless Inc.****Condensed Interim Consolidated Statements of Comprehensive Income**

Periods ended April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

	<i>3 months ended</i>		<i>6 months ended</i>	
	<b>2020-04-30</b>	2019-04-30	<b>2020-04-30</b>	2019-04-30
	\$	\$	\$	\$
<b>Revenue</b>	<b>1 432 841</b>	717 283	<b>3 478 053</b>	1 959 040
Cost of sales	<b>1 169 036</b>	454 579	<b>2 452 670</b>	1 194 387
<b>Gross profit</b>	<b>263 805</b>	262 705	<b>1 025 383</b>	764 652
Selling expenses	<b>316 508</b>	329 492	<b>609 418</b>	600 476
Administrative expenses	<b>382 544</b>	477 417	<b>683 096</b>	920 413
Financial expenses	<b>275 183</b>	149 636	<b>433 094</b>	361 782
Research and development costs, net of \$70,135 in tax credits for the three-month period ended April 30, 2020, \$119,788 for the six-month period ended April 30, 2020 (\$40,867 for the three-month period ended April 30, 2019, \$86,250 for the six-month period ended April 30, 2019)	<b>180 577</b>	300 513	<b>384 144</b>	557 893
	<b>1 154 812</b>	1 257 057	<b>2 109 752</b>	2 440 564
Loss before other elements	<b>(891 007)</b>	(994 353)	<b>(1 084 369)</b>	(1 675 911)
Other elements:				
Gain (Loss) debt settlement share		10 050		10 050
Change in fair value of derivative liability (Note 9)	<b>69 740</b>	62 145	<b>69 740</b>	(48 729)
Debenture modification cost (Note 9)				(128 114)
Gain (Loss) extinguishment of debt (Note 9)	<b>(267 888)</b>		<b>(267 888)</b>	
	<b>(198 148)</b>	72 195	<b>(198 148)</b>	(166 793)
Loss before income taxes	<b>(1 089 155)</b>	(922 158)	<b>(1 282 517)</b>	(1 842 705)
<b>Net loss and total comprehensive income</b>	<b>(1 089 155)</b>	(922 158)	<b>(1 282 517)</b>	(1 842 705)
<b>Loss per share (Note 14)</b>				
Basic and diluted loss per share	<b>(0,01)</b>	(0,01)	<b>(0,01)</b>	(0,01)
Weighted average number of outstanding common shares	<b>172 977 913</b>	150 535 531	<b>172 977 913</b>	130 764 818

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

**Nuran Wireless Inc.****Condensed Interim Consolidated Statements of Changes in Deficiency**

Periods ended April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

	Share capital		Contributed Surplus	Fair value of the conversion option	Deficit	2020-04-30 Total deficiency
	Number	\$	\$	\$	\$	\$
<b>Balance as at November 1, 2019</b>	<b>172 977 913</b>	<b>25 064 583</b>	<b>1 505 585</b>	<b>1 218</b>	<b>(27 001 435)</b>	<b>(430 049)</b>
Net loss and total comprehensive income					<b>(1 282 517)</b>	<b>(1 282 517)</b>
Amendment to the conversion option of the convertible debenture (Note 9)			<b>1 218</b>	<b>(70 958)</b>		<b>(69 740)</b>
Forbearance to the convertible debentures default (Note 9)				<b>316 708</b>		<b>316 708</b>
Employee shared-based compensation (Note 13)			<b>10 500</b>			<b>10 500</b>
Non-employee shared-based compensation (Note 13)			<b>7 000</b>			<b>7 000</b>
Warrants (Notes 9 and 12)			<b>80 766</b>			<b>80 766</b>
<b>Balance as at April 30, 2020</b>	<b>172 977 913</b>	<b>25 064 583</b>	<b>1 605 069</b>	<b>246 968</b>	<b>(28 283 952)</b>	<b>(1 367 332)</b>
						2019-04-30
	Share capital		Contributed Surplus	Fair value of the conversion option	Deficit	Total deficiency
	Number	\$	\$	\$	\$	\$
<b>Balance as at November 1, 2018</b>	<b>138 694 039</b>	<b>22 287 237</b>	<b>1 267 837</b>		<b>(23 452 442)</b>	<b>102 632</b>
Issue of shares (Note 10*)	<b>17 318 571</b>	<b>1 822 413</b>				<b>1 822 413</b>
Share issue cost		<b>(38 278)</b>				<b>(38 278)</b>
Net loss and total comprehensive income					<b>(1 842 705)</b>	<b>(1 842 705)</b>
Employee shared-based compensation (Note 12*)			<b>50 519</b>			<b>50 519</b>
Warrants (Notes 10* and 11*)		<b>(40 347)</b>	<b>40 347</b>			
<b>Balance as at April 30, 2019</b>	<b>156 012 610</b>	<b>24 031 025</b>	<b>1 358 703</b>		<b>(25 295 147)</b>	<b>94 581</b>

*\*Notes refer to April 30, 2019 financial statements*

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

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

Periods ended April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

	<b>2020-04-30</b>	2019-04-30
	<b>(6 months)</b>	(6 months)
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss	(1 282 517)	(1 842 705)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	44 533	53 699
Depreciation of intangible assets	32 340	60 969
Depreciation of Right-of-use assets	71 557	
Debenture modification cost		128 114
Gain/loss extinguishment of debt	267 888	
Non-employee share-based transaction	7 000	13 250
Employee share-based transaction	10 500	37 269
Accretion of convertible debentures	111 322	52 763
Change in fair value of derivative liability	(69 740)	48 729
Net change in working capital items		
Trade and other receivables	(147 848)	417 365
Scientific research and experimental development tax credits receivable	326 708	(86 249)
Work in progress	(45 590)	(77 930)
Inventories	680 535	111 042
Prepaid expenses	65 979	(127 678)
Security deposits and deposits on purchase of goods	329 960	(184 504)
Trade and other payables	640 792	(197 084)
Deferred revenue	(315 692)	151 057
Net cash from operating activities	<u>727 727</u>	<u>(1 441 893)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(24 680)	(16 084)
Purchase of intangible assets	(780 801)	(145 868)
Right-of-use assets	(429 341)	
Net cash used in investing activities	<u>(1 234 822)</u>	<u>(161 952)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in loan payable to companies under common control		23 148
Long-term debt	646 215	524 129
Repayment of long-term debt	(347 121)	(45 725)
Lease liabilities	429 341	
Repayment of Lease liabilities	(88 848)	
Interest paid on lease liabilities	20 342	
Convertible debentures modification costs		(223 413)
Convertible debenture conversion		(480 000)
Issue of class "A" shares		1 822 413
Share cost issue		(38 278)
Net cash used in financing activities	<u>659 929</u>	<u>1 582 274</u>
<b>Net decrease in cash</b>	<b>152 834</b>	<b>(21 571)</b>
Cash, beginning of period	<u>510 832</u>	<u>222 421</u>
Cash, end of period	<u><u>663 666</u></u>	<u><u>200 850</u></u>
<b>Supplementary information</b>		
Interest paid included in operating activities	154 149	301 496

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, 2020 and October 31, 2019

(In Canadian dollars)

(Unaudited)

	<u>2020-04-30</u>	<u>2019-10-31</u>
	\$	\$
<b>ASSETS</b>		
Current		
Cash	663 666	510 832
Trade and other receivables	390 295	242 446
Scientific research and experimental development tax credits receivable	404 124	730 832
Work in progress	45 590	
Inventories (Note 4)	1 694 316	2 374 851
Prepaid expenses	59 457	125 436
Security deposits and deposits on purchase of goods	153 728	483 688
Current assets	<u>3 411 176</u>	<u>4 468 085</u>
Non-current		
Property, plant and equipment (Note 5)	393 448	413 302
Intangible assets (Note 6)	4 695 963	3 946 881
Right-of-use assets (Note 7)	357 784	
Non-current assets	<u>5 447 195</u>	<u>4 360 183</u>
Total assets	<u><u>8 858 371</u></u>	<u><u>8 828 268</u></u>
<b>LIABILITIES</b>		
Current		
Trade and other payables	2 804 309	2 162 896
Deferred revenue	2 482 174	2 797 866
Loans payable (Note 8)	190 000	190 000
Convertible debentures and derivative liability (Note 9)	3 034 728	3 052 992
Current portion of long-term debt	108 899	421 652
Current portion of lease liabilities	165 432	
Current liabilities	<u>8 785 542</u>	<u>8 625 406</u>
Non-current		
Long-term debt (Note 10)	1 244 758	632 911
Lease liabilities (Note 7)	195 403	
Total liabilities	<u><u>10 225 703</u></u>	<u><u>9 258 317</u></u>
<b>DEFICIENCY</b>		
Share capital (Note 11)	25 064 583	25 064 583
Contributed Surplus	1 605 069	1 505 585
Fair value of conversion option	246 968	1 218
Deficit	<u>(28 283 952)</u>	<u>(27 001 435)</u>
Total deficiency	<u><u>(1 367 332)</u></u>	<u><u>(430 049)</u></u>
Total deficiency and liabilities	<u><u>8 858 371</u></u>	<u><u>8 828 268</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, 2020 and April 30, 2019

(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, suite 100, 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 2019 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 six-month period ended April 30, 2020 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. 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 30, 2020.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(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 2019 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, 2019.

### 4 - INVENTORIES

	<u>2020-04-30</u>	<u>2019-10-31</u>
	\$	\$
Raw materials	<b>1 110 187</b>	1 249 982
Finished goods	<b>584 129</b>	1 124 869
	<u><b>1 694 316</b></u>	<u>2 374 851</u>

For the six-month period ended April 30, 2020, \$11,207 and \$0 for the three-month period ended April 30, 2020 (\$44,503 for the six-month period ended April 30, 2019 and \$0 for the three-month period ended April 30, 2019) of inventories was included in profit or loss as an expense resulting from the write-down of inventories.

**NuRAN Wireless Inc.**  
**Notes to Condensed Interim Consolidated Financial**  
**Statements**

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

**5 - PROPERTY, PLANT AND EQUIPMENT**

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

	<b>2020-04-30</b>			
	<b>Leasehold improvements</b>	<b>Equipment and furniture, tele- communication system, furniture and fixtures</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying amount</b>				
Balance as at November 1, 2019	11,414	801,825	350,438	1,163,677
Additions		24,679		24,679
Balance as at April 30, 2020	<u>11,414</u>	<u>826,504</u>	<u>350,438</u>	<u>1,188,356</u>
<b>Depreciation</b>				
Balance as at November 1, 2019	11,093	463,732	275,550	750,375
Depreciation	184	35,074	9,275	44,533
Balance as at April 30, 2020	<u>11,277</u>	<u>498,806</u>	<u>284,825</u>	<u>794,908</u>
<b>Carrying amount as at April 30, 2020</b>	<u><u>137</u></u>	<u><u>327,698</u></u>	<u><u>65,613</u></u>	<u><u>393,448</u></u>



# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

### 6 – INTANGIBLE ASSETS

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

	<b>2020-04-30</b>		
	<u>Acquisition software</u>	<u>Trademarks</u>	<u>Total</u>
	\$	\$	\$
<b>Gross carrying amount</b>			
Balance as at November 1, 2019	4,363,651	76,766	4,440,417
Additions	<u>781,422</u>		<u>781,422</u>
Balance as at April 30, 2020	<u>5,145,073</u>	<u>76,766</u>	<u>5,221,839</u>
<b>Amortization</b>			
Balance as at November 1, 2019	493,536		493,536
Amortization	<u>32,340</u>		<u>32,340</u>
Balance as at April 30, 2020	<u>525,876</u>		<u>525,876</u>
<b>Carrying amount as at April 30, 2020</b>	<u><u>4,619,197</u></u>	<u><u>76,766</u></u>	<u><u>4,695,963</u></u>

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

### 7 – RIGHT-OF-USE ASSETS

The Company's right-of-use assets and lease liabilities and their carrying amounts are detailed as follows:

#### Right-of-use assets

	<u>2020-04-30</u>
	<u>Total</u>
	\$
<b>Gross carrying amount</b>	
Balance as at November 1, 2019	
Additions	<u>429,341</u>
Balance as at April 30, 2020	<u>429,341</u>
<b>Depreciation</b>	
Balance as at November 1, 2019	
Depreciation	<u>71,557</u>
Balance as at April 30, 2020	<u>71,557</u>
<b>Carrying amount as at April 30, 2020</b>	<u><u>357,784</u></u>

#### Lease liabilities

	<u>2020-04-30</u>
	<u>Total</u>
	\$
<b>Gross carrying amount</b>	
Balance as at November 1, 2019	
Additions	<u>429,341</u>
Lease payments	<u>(88,848)</u>
Lease interest	<u>20,342</u>
Balance as at April 30, 2020	<u>360,835</u>
Current portion	<u>165,432</u>
Non-current portion	<u>195,403</u>

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

### 8 - LOANS PAYABLE

	<u>2020-04-30</u>	<u>2019-10-31</u>
	\$	\$
Shareholders	<b>190,000</b>	190,000

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

### 9 - CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

As at April 30, 2020, the convertible debentures and derivative liability consists of:

	<u>Convertible debentures</u>	<u>Total</u>
	\$	\$
<b>Opening Balance as at November 1, 2019</b>	<b>3,052,992</b>	<b>3,052,992</b>
<b>Accretion of convertible debenture</b>	<b>111,322</b>	<b>111,322</b>
<b>Forbearance of the debenture default</b>	<b>(129,586)</b>	<b>(129,586)</b>
<b>Closing balance, as at April 30, 2020</b>	<b>3,034,728</b>	<b>3,034,728</b>

On February 26th, 2020, the Company announces it has entered into a forbearance agreement in connection with its previously issued 12% senior secured convertible debentures (the "Debentures") pursuant to which the majority lenders agreed to waive any default in payment of principal and interest payments due and payable as of this date, and continue to forbear from declaring or acting upon, or exercising related rights or remedies under such creditor's financing agreement until August 23, 2020.

In consideration of, and conditional to the confirmation from the Majority of Holders on the execution of the forbearance agreement, the Company offered to grant holders a decrease of the Debenture conversion price from \$0.10 to \$0.05, as well as a share purchase warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.05 for a term of three years for each \$0.50 of principal amount owing to the holder under the Debenture for an aggregate total of 6,180,000 warrants. In addition to the above, the Company offered to pay cash compensation equal to 3% of debenture principal owed, to be paid along with principal and accrued interests. As of the date hereof, the Company has received forbearance agreements from the majority of lenders, thereby granting the

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

Company with an extension of six months before repayment of the principal and any interest due.

The debenture amendment was accounted for as a debt extinguishment of the initial debentures and the recognition of the amended debentures components at their respective fair value resulting in a \$267,888 loss recorded in net loss.

The fair value of the conversion option on February 26, 2020, following the forbearance of the default was estimated at \$316,708, which was derived using a Black-Scholes option pricing model with the following assumptions: risk free interest rate 1,535%; expected volatility 64%; dilution factor of 36%; expected dividend yield of 0%; expected life of 0.5 year and an exercise price of \$0.05. Expected volatility was based on the historical volatility of other comparable listed companies. The share price upon issuance was \$0.045.

The fair value of the derivative liability as of April 30, 2020 was estimated at \$246,968, which was derived using a Black-Scholes option pricing model with the following assumptions: risk free interest rate 1,535%; expected volatility 64%; dilution factor of 36%; expected dividend yield of 0%; expected life of 0.33 year and an exercise price of \$0.05. Expected volatility was based on the historical volatility of other comparable listed companies. The share price upon issuance was \$0.04.

### 10 - LONG-TERM DEBT

Using discount rates of 9% and 12%, 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 \$1,312,941 (\$1,182,633 as at October 31, 2019).

### 11 - SHARE CAPITAL

	<u>2020-04-30</u>	<u>2019-10-31</u>
	\$	\$
Class "A" shares (a)	<b>25,064,583</b>	22,713,812

- a) The number of issued common shares totals 172,977,913 as at April 30, 2020 (172,977,913 as at October 31, 2019)

**NuRAN Wireless Inc.**  
**Notes to Condensed Interim Consolidated Financial**  
**Statements**

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

**12 – WARRANTS**

The following is a summary of the activity of warrants:

	Six months ended April 30, 2020	
	Number of warrants	Weighted average exercise price
Opening balance, as at November 1, 2019	70,648,152	\$ 0.21
Granted during the period	6,180,000	\$ 0.05
Expired during the period	(10,570,000)	\$ 0.32
Closing balance, as at April 30, 2020	66,858,152	\$ 0.18

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

The following is a summary of warrants outstanding and exercisable, as at April 30, 2020

	<u>Warrants outstanding</u>		<u>Warrants exercisable</u>	
	Quantity	Weighted average contractual life (years)	Quantity	Weighted average contractual life (years)
April 30, 2020				
Exercise price				
\$0.05	6,180,000	2.83		
\$0.06	300,000	1.31	300,000	1.31
\$0.07	10,636,732	2.31	10,636,732	2.31
\$0.10	3,246,000	1.29	3,246,000	1.29
\$0.12	1,415,252	0.11	1,415,252	0.11
\$0.15	5,535,000	0.87	5,535,000	0.87
\$0.20	31,915,168	0.11	31,915,168	0.11
\$0.45	<u>7,630,000</u>	0.82	<u>7,630,000</u>	0.82
	<u>66,858,152</u>		<u>60,678,152</u>	

As stated in Note 9, on February 26, 2020, the debenture holders agreed to waive any default in payment of principal and interest payments due and payable as of this date, and continue to forbear from declaring or acting upon, or exercising related rights or remedies under such creditor's financing agreement until August 23, 2020.

In consideration of, and conditional to the confirmation from the Majority of Holders on the execution of the forbearance agreement, the Company granted holders a decrease of the Debenture conversion price from \$0.10 to \$0.05, as well as a share purchase warrant entitling the holder to purchase one common share of the Company at an exercise price of \$0.05 for a term of three years for each \$0.50 of principal amount owing to the holder under the Debenture for an aggregate total of 6,180,000 warrants.

# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

The warrants were assigned a value of \$80,766 using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 1,251%; expected volatility 64%; expected dividend yield of 0%; expected life of two years and an exercise price of \$0.05. Expected volatility was based on the historical volatility of other comparable listed companies. The share price at the time of issuance of the warrants was \$0.045.

### 13 - OPTIONS

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

	Six months ended April 30, 2020	
	Number of options	Weighted average exercise price
Opening balance, as at November 1, 2019	7,680,000	\$ 0.16
Granted during the period	2,500,000	\$ 0.06
Forfeited	(2,025,000)	\$ 0.20
Closing balance, as at April 30, 2020	8,155,000	\$ 0.13

## NuRAN Wireless Inc.

### Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

The following is a summary of stock options outstanding and exercisable as at April 30, 2020.:

	Options outstanding		Options exercisable	
	Number	Weighted average contractual life (years)	Number	Weighted average contractual life (years)
April 30, 2020				
Exercise price				
\$0.06	2,500,000	3.64	2,500,000	3.64
\$0.10	3,050,000	2.03	2,650,000	1.92
\$0.20	2,430,000	1.20	2,430,000	1.20
\$0.30	175,000	1.95	175,000	1.95
	<u>8,155,000</u>		<u>7,755,000</u>	

On December 19, 2019, NuRAN Wireless inc. granted stock options pursuant to its incentive stock option plan to certain directors and officers of the Company to purchase up to an aggregate of 2,500,000 common shares in the capital stock of the Company, at an exercise price of \$0.06 per share. All options will vest 3 months after the date of the grant and expire 48 months from the date of grant.

The stock options were assigned a value of \$17,500 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 1.71%; expected volatility 65%; expected dividend yield of 0%; expected life of four years and an exercise price of \$0.06. Expected volatility was based on the historical volatility of other comparable listed companies.

For the six-month period ended April 30, 2020, \$10,500 and \$3,500 for the three-month period ended April 30, 2020 (\$18,669 for the six-month and \$15,701 the three-month period ended April 30, 2019) employee remuneration expense has been included in profit or loss and credited to contributed surplus.



# NuRAN Wireless Inc.

## Notes to Condensed Interim Consolidated Financial Statements

As at April 30, 2020 and April 30, 2019

(In Canadian dollars)

(Unaudited)

### 14 - 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.

Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 12 and 13.

### 15 - RELATED PARTY TRANSACTIONS

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

The Company's key management consists of direction and executives. On December 19, 2019, NuRAN Wireless inc. granted stock options pursuant to its incentive stock option plan to certain directors and officers of the Company to purchase up to an aggregate of 2,500,000 common shares in the capital stock of the Company, at an exercise price of \$0.06 per share. All options will vest 3 months after the date of the grant and expire 48 months from the date of grant.

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:

	<b>2020-04-30</b> <b>(3 months)</b>	2019-04-30 (3 months)	<b>2020-04-30</b> <b>(6 months)</b>	2019-04-30 (6 months)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Shareholders				
Interest expenses	<b>3,279</b>	12,621	<b>6,632</b>	25,671

### 16 – POST-REPORTING DATE EVENTS

No post-reporting date events.