

Nuran Wireless Inc.
Condensed Interim Consolidated
Financial Statements
July 31, 2020 and
July 31, 2019

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The condensed interim consolidated financial statements of Nuran Wireless inc. for the third quarter ended July 31, 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 July 31, 2020 and July 31, 2019

(In Canadian dollars)

(Unaudited)

	<i>3 months ended</i>		<i>9 months ended</i>	
	2020-07-31	2019-07-31	2020-07-31	2019-07-31
	\$	\$	\$	\$
Revenue	319 228	351 435	3 797 281	2 310 475
Cost of sales	163 044	300 450	2 615 714	1 494 838
Gross profit	156 184	50 985	1 181 567	815 637
Selling expenses	77 501	238 689	686 918	839 165
Administrative expenses	241 560	368 618	924 656	1 289 032
Financial expenses	126 700	155 498	559 794	517 280
Research and development costs, net of \$12,411 in tax credits for the three-month period ended July 31, 2020, \$132,199 for the nine-month period ended July 31, 2020 (\$72,737 for the three-month period ended July 31, 2019, \$158,987 for the nine-month period ended July 31, 2019)	(84 033)	186 390	300 110	744 282
	361 728	949 195	2 471 479	3 389 759
Loss before other gain	(205 544)	(898 210)	(1 289 911)	(2 574 121)
Other elements:				
Gain/Loss extinguishment of debt			(267 888)	10 050
Change in fair value of derivative liability (Note 9)	148 999		218 739	(48 729)
Debenture modification cost (Note 9)				(128 114)
	148 999		(49 149)	(166 793)
Loss before income taxes	(56 545)	(898 210)	(1 339 060)	(2 740 914)
Net loss and total comprehensive income	(56 545)	(898 210)	(1 339 060)	(2 740 914)
Loss per share (Note 14)				
Basic and diluted loss per share	(0,00)	(0,01)	(0,01)	(0,02)
Weighted average number of outstanding common shares	173 763 783	160 334 349	173 241 782	140 729 642

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

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

Periods ended July 31, 2020 and July 31, 2019

(In Canadian dollars)

(Unaudited)

	Share capital		Contributed surplus	Fair value of the conversion option	Deficit	2020-07-31		
	Number	\$				Total deficiency		
						\$		
Balance as at November 1, 2019	172 977 913	25 064 583	1 505 585	1 218	(27 001 435)	(430 049)		
Issue of share capital (Note 11)	5 100 000	265 596				265 596		
Net loss and total comprehensive income for the period					(1 339 060)	(1 339 060)		
Amendment to the conversion option of the convertible debenture (Note 9)			1 218	(230 553)		(229 335)		
Forbearance to the convertible debentures default (Note 9)				316 708		316 708		
Employee shared-based compensation (Note 13)			10 500			10 500		
Non-employee shared-based compensation (Note 13)			7 000			7 000		
Warrants (Notes 9 and 12)			80 766			80 766		
Balance as at July 31, 2020	178 077 913	25 330 179	1 605 069	87 373	(28 340 495)	(1 317 874)		
						2019-07-31		
	Share capital		Contributed surplus	Fair value of the conversion option	Deficit	Total deficiency		
	Number	\$				\$	\$	\$
Balance as at November 1, 2018	138 694 039	22 287 237	1 267 837		(23 452 442)	102 632		
Issue of share capital (Note 10)	23 618 571	2 452 413				2 452 413		
Share issue cost		(38 278)				(38 278)		
Net loss and total comprehensive income for the period					(2 740 914)	(2 740 914)		
Warrants (Notes 10 and 11)		(40 347)	40 347					
Employee shared-based compensation (Note 12)			51 319			51 319		
Balance as at July 31, 2019	162 312 610	24 661 025	1 359 503		(26 193 356)	(172 828)		

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

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

Periods ended July 31, 2020 and July 31, 2019

(In Canadian dollars)

(Unaudited)

	2020-07-31	2019-07-31
	(9 months)	(9 months)
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1 339 060)	(2 740 914)
Non-cash flow adjustments		
Depreciation of property, plant and equipment	67 316	80 942
Depreciation of intangible assets	45 156	91 637
Debenture modification cost	107 335	128 114
Gain(loss) on extinguishment of debt	267 888	
Non-employee share-based transaction	7 000	13 250
Employee share-based transaction	10 500	38 069
Accretion of convertible debentures	226 313	81 058
Change in fair value of derivative liability	(218 739)	48 729
Net change in working capital items		
Trade and other receivables	(240 531)	702 496
Scientific research and experimental development tax credits receivable	553 586	(158 987)
Work in progress	(45 590)	(77 930)
Inventories	674 648	170 949
Prepaid expenses	55 633	(74 925)
Security deposits and deposits on purchase of goods	366 360	(166 464)
Trade and other payables	629 582	286 891
Deferred revenue	(249 878)	300 175
Net cash from operating activities	917 519	(1 276 910)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(32 276)	(16 089)
Purchase of intangible assets	(1 305 739)	(355 933)
Right-of-use assets	(429 341)	
Net cash used in investing activities	(1 767 356)	(372 022)
FINANCING ACTIVITIES		
Net change in loan payable to companies under common control		(60 429)
Long-term debt	1 104 997	642 982
Repayment of long-term debt	(490 110)	
Lease liabilities	429 341	
Repayment of Lease liabilities	(104 395)	(67 326)
Convertible debentures modification costs		(223 413)
Convertible debenture conversion	(265 596)	(1 110 000)
Issue of class "A" shares	265 596	2 452 413
Share issue cost		(38 278)
Net cash used in financing activities	939 833	1 595 949
Net decrease in cash	89 996	(52 982)
Cash, beginning of period	510 832	222 421
Cash, end of period	600 828	169 439
Supplementary information		
Interest paid included in operating activities	288 700	366 970

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

Nuran Wireless Inc.**Condensed Interim Consolidated Statements of Financial Position**

As at July 31, 2019 and October 31, 2018

(In Canadian dollars)

(Unaudited)

	<u>2020-07-31</u>	<u>2019-10-31</u>
	\$	\$
ASSETS		
Current		
Cash	600 828	510 832
Trade and other receivables	482 977	242 446
Scientific research and experimental development tax credits receivable	177 246	730 832
Work in progress	45 590	
Inventories (Note 4)	1 700 203	2 374 851
Prepaid expenses	69 803	125 436
Security deposits and deposits on purchase of goods	117 328	483 688
Current assets	<u>3 193 975</u>	<u>4 468 085</u>
Non-current		
Property, plant and equipment (Note 5)	378 262	413 302
Intangible assets (Note 6)	5 208 085	3 946 881
Right-of-use assets (Note 7)	322 006	
Non-current assets	<u>5 908 353</u>	<u>4 360 183</u>
Total assets	<u>9 102 328</u>	<u>8 828 268</u>
LIABILITIES		
Current		
Trade and other payables	2 793 099	2 162 896
Deferred revenue	2 547 988	2 797 866
Loans payable (Note 8)	190 000	190 000
Convertible debentures and derivative liability (Note 9)	2 894 719	3 052 992
Current portion of long-term debt	109 167	421 652
Current portion of lease liabilities	166 304	
Current liabilities	<u>8 701 277</u>	<u>8 625 406</u>
Non-current		
Long-term debt (Note 10)	1 560 283	632 911
Lease liabilities (Note 7)	158 642	
Total liabilities	<u>10 420 202</u>	<u>9 258 317</u>
DEFICIENCY		
Share capital (Note 11)	25 330 179	25 064 583
Contributed Surplus	1 605 069	1 505 585
Fair value of conversion option	87 373	1 218
Deficit	<u>(28 340 495)</u>	<u>(27 001 435)</u>
Total deficiency	<u>(1 317 874)</u>	<u>(430 049)</u>
Total deficiency and liabilities	<u>9 102 328</u>	<u>8 828 268</u>

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

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Notes to Condensed Interim Consolidated Financial Statements

As at July 31, 2020 and July 31, 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 have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future, convert its sales orders into sales revenue, realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements. Such adjustments could be material.

As at July 31, 2020, the Company had an accumulated deficit of \$28,340,495 (July 31, 2019 \$26,193,356). Working capital as at July 31, 2020 was -\$5,507,302 compared to -\$3,570,465 as at July 31, 2019. Net loss and comprehensive loss for the 9 months ended July 31, 2020 was \$1,339,060 (July 31, 2019 \$2,740,914).

The Company anticipates it will have sufficient cash on hand to service its liabilities and fund operating costs for the immediate future. However, there is uncertainty as to how long these funds will last. The Company believes that, based on its revenue forecasts, expected opportunities in the marketplace and the ability to reduce expenditures, if required, it will be able to continue as a going concern for the foreseeable future. To achieve that, the Company will need to (i) develop its marketing opportunities into revenue generating transactions, (ii) arrange future financing that will largely depend upon prevailing capital market conditions, (iii) reach an agreement with debenture-holders, and (iv) the continued support of its shareholder base. Management is actively working on the delivery of its products against existing purchase orders which will generate additional sales revenue, but timing is uncertain, especially due to

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COVID-19. Management is also reviewing financing options to raise the funds required to continue its strategy of expanding its product line, research and development and geographic coverage, but there can be no assurance that management's fund-raising plans will be successful. As a result, these factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on September 30, 2020.

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>2020-07-31</u>	<u>2019-10-31</u>
	\$	\$
Raw materials	1 110 877	1 249 982
Finished goods	<u>589 326</u>	<u>1 124 869</u>
	<u>1 700 203</u>	<u>2 374 851</u>

For the nine-month period ended July 31, 2020, \$11,207 and \$0 for the three-month period ended July 31, 2020 (\$66,453 for the nine-month period ended July 31, 2019 and \$21,951 for the nine-month period ended July 31, 2019) of inventories was included in profit or loss as an expense resulting from the write-down of inventories.

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Notes to Condensed Interim Consolidated Financial
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(In Canadian dollars)

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5 - PROPERTY, PLANT AND EQUIPMENT

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

	2020-07-31			
	Leasehold improvements	Equipment and furniture, tele- communication system, furniture and fixtures	Computer equipment	Total
	\$	\$	\$	\$
Gross carrying amount				
Balance as at November 1, 2019	11,414	801,825	350,438	1,163,677
Additions		24,679	7,597	32,276
Balance as at July 31, 2020	<u>11,414</u>	<u>826,504</u>	<u>358,035</u>	<u>1,195,953</u>
Depreciation				
Balance as at November 1, 2019	11,093	463,732	275,550	750,375
Depreciation	275	52,844	14,197	67,316
Balance as at July 31, 2020	<u>11,368</u>	<u>516,576</u>	<u>289,747</u>	<u>817,691</u>
Carrying amount as at July 31, 2020	<u>46</u>	<u>309,928</u>	<u>68,288</u>	<u>378,262</u>

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Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

6 – INTANGIBLE ASSETS

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

	2020-07-31		
	<u>Acquisition software</u>	<u>Trademarks</u>	<u>Total</u>
	\$	\$	\$
Gross carrying amount			
Balance as at November 1, 2019	4,363,651	76,766	4,440,417
Additions	<u>1,306,360</u>		<u>1,306,360</u>
Balance as at July 31, 2020	<u>5,670,011</u>	<u>76,766</u>	<u>5,746,777</u>
Amortization			
Balance as at November 1, 2019	493,536		493,536
Amortization	<u>45,156</u>		<u>45,156</u>
Balance as at July 31, 2020	<u>538,692</u>		<u>538,692</u>
Carrying amount as at July 31, 2020	<u><u>5,404,320</u></u>	<u><u>76,766</u></u>	<u><u>5,208,086</u></u>

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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>2020-07-31</u>
	<u>Total</u>
	\$
Gross carrying amount	
Balance as at November 1, 2019	
Additions	<u>429,341</u>
Balance as at July 31, 2020	<u>429,341</u>
Depreciation	
Balance as at November 1, 2019	
Depreciation	<u>107,335</u>
Balance as at July 31, 2020	<u>107,335</u>
Carrying amount as at July 31, 2020	<u><u>322,006</u></u>

Lease liabilities

	<u>2020-07-31</u>
	<u>Total</u>
	\$
Gross carrying amount	
Balance as at November 1, 2019	
Additions	<u>429,341</u>
Lease payments	<u>(133,569)</u>
Lease interest	<u>29,174</u>
Balance as at July 31, 2020	<u>324,946</u>
Current portion	<u>166,304</u>
Non-current portion	<u>158,642</u>

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Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

8 - LOANS PAYABLE

	<u>2020-07-31</u>	<u>2019-10-31</u>
	\$	\$
Shareholders	190,000	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 July 31, 2020, the convertible debentures and derivative liability consists of:

	<u>Convertible debentures</u>	<u>Total</u>
	\$	\$
Opening Balance as at November 1, 2019	3,052,992	3,052,992
Accretion of convertible debenture	226,313	226,313
Forbearance of the debenture default	(129,586)	(129,586)
Conversion of convertible debenture	(255,000)	(255,000)
Closing balance, as at July 31, 2020	2,894,719	2,894,719

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

NuRAN Wireless Inc.

Notes to Condensed Interim Consolidated Financial Statements

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received forbearance agreements from the majority of lenders, thereby granting the 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 July 31, 2020 was estimated at \$87,373, which was derived using a Black-Scholes option pricing model with the following assumptions: risk free interest rate 0.22%; expected volatility 64%; dilution factor of 33%; expected dividend yield of 0%; expected life of 0.06 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.

In July 2020, the debenture holders requested the conversion of debentures totalling a par value of \$255,000 in common shares of the Company.

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 \$1,606,777 (\$1,182,633 as at October 31, 2019).

11 - SHARE CAPITAL

	<u>2020-07-31</u>	<u>2019-10-31</u>
	\$	\$
Class "A" shares (a)	25,330,179	22,713,812

- a) The number of issued common shares totals 178,077,913 as at July 31, 2020 (172,977,913 as at October 31, 2019)

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(Unaudited)

As stated in Note 9, the debenture holders requested the conversion of debentures totalling a par value of \$255,000 in common shares of the Company.

12 – WARRANTS

The following is a summary of the activity of warrants:

	Nine months ended July 31, 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	(43,300,420)	\$ 0.22
Closing balance, as at July 31, 2020	33,527,732	\$ 0.17

The following is a summary of warrants outstanding and exercisable, as at July 31, 2020

	Warrants outstanding		Warrants exercisable	
	Quantity	Weighted average contractual life (years)	Quantity	Weighted average contractual life (years)
July 31, 2020				
Exercise price				
\$0.05	6,180,000	2.58	6,180,000	2.58
\$0.06	300,000	1.05	300,000	1.05
\$0.07	10,636,732	2.05	10,636,732	2.05
\$0.10	3,246,000	1.04	3,246,000	1.04
\$0.15	5,535,000	0.62	5,535,000	0.62
\$0.45	7,630,000	0.57	7,630,000	0.57
	33,527,732		33,527,732	

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(Unaudited)

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.

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:

	<u>Nine months ended July 31, 2020</u>	
	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	(2,050,000)	\$ 0.20
Closing balance, as at July 31, 2020	8,130,000	\$ 0.14

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(In Canadian dollars)

(Unaudited)

The following is a summary of stock options outstanding and exercisable as at July 31, 2020.:

	Options outstanding		Options exercisable	
	Number	Weighted average contractual life (years)	Number	Weighted average contractual life (years)
July 31, 2020				
Exercise price				
\$0.06	2,500,000	3.39	2,500,000	3.39
\$0.10	3,050,000	1.78	3,050,000	1.78
\$0.20	2,430,000	0.95	2,430,000	0.95
\$0.30	150,000	1.70	150,000	1.70
	<u>8,130,000</u>		<u>8,130,000</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 nine-month period ended July 31, 2020, \$10,500 and \$0 for the nine-month period ended July 31, 2019 (\$19,469 for the nine-month and \$1,101 for the nine-month period ended July 31, 2019) employee remuneration expense has been included in profit or loss and credited to contributed surplus.

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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:

	2020-07-31 (3 months)	2019-07-31 (3 months)	2020-07-31 (6 months)	2019-07-31 (6 months)
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Shareholders				
Interest expenses	3,352	3,352	9,984	9,945

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(In Canadian dollars)

(Unaudited)

16 – POST-REPORTING DATE EVENTS

On August 28, 2020 the Board of Directors the Company's wholly-owned subsidiary, Nutaq Innovation Inc., voted to cease operations and on that date all of its board members, except Mr. Francis Letourneau, resigned their respective positions.

On August 31, 2020 Nutaq announced the decision and filed an insolvency proceeding.

On September 1, 2020 the Company approved the appointment of Lemieux Nolet as trustee for Nutaq's bankruptcy proceedings.

The trading of the Company's stock was halted on September 1, 2020 and trading has not resumed. In order to resume trading, the CSC requires the Company to appoint a minimum of two additional independent board members and a CFO.

While the debenture-holders are enforcing their rights, management continues to pursue all pending sales and the order backlog with initial positive results. The Company is currently engaged in advanced discussions with its key stakeholders, including the debenture-holders, to find a reasonable solution that would allow Nuran to resume normal activities. Although the immediate future looks positive, these are difficult negotiations and there is no guarantee that a resolution will be reached.