

**NuRAN Wireless Inc.**

**FORM 51-102F3**  
***Material Change Report***

**Item 1: Name and Address of Company**

NuRAN Wireless Inc. (the "Company" or "NuRAN")  
2150 Cyrille-Duquet  
Quebec, QC G1N 2G3

**Item 2: Date of Material Change**

January 7, 2021 and January 12, 2021

**Item 3: News Release**

The news releases were issued and disseminated on January 7, 2021 and January 12, 2021 and filed on SEDAR at [www.sedar.com](http://www.sedar.com), copies of which are attached hereto as Schedule "A".

**Item 4: Summary of Material Change**

Appointment of new COO

The Company appointed Gael Campan as Chief Operating Officer for the Company effective January 7, 2021.

Forbearance Agreement by all Senior Secured Debtholders

The Company entered into a Forbearance Agreement dated as of November 30, 2020 (the "Forbearance Agreement") with First Republic Capital Corporation (the "Agent") and the holders (the "Secured Creditors") of the 12% senior secured convertible debentures of the Company issued pursuant to a private placement closed on February 23, 2017 (the "Debentures").

Pursuant to the terms of the Forbearance Agreement, the Secured Creditors agreed, among other things, to forbear from enforcing their rights under the security agreements relating to the Debentures until December 31, 2021 and effective as of the execution of the Forbearance Agreement by all Secured Creditors on January 12, 2021, the Debentures have been amended as follows:

- (i) the maturity date of the Debentures is amended to December 31, 2021;
- (ii) subject to compliance with applicable securities laws, all accrued but unpaid interest and penalties on the Debentures in common shares of the Company (the "Interest Settlement Shares") up to and as of January 12, 2021 will be settled at a deemed price per Common Share equal to \$0.28 (being last closing market price of the Common Shares on the CSE, discounted by the maximum discount permitted by Section 2.1 of Policy 6 of the CSE). As at January 12, 2021 the total amount of interest and penalties owed under the Debentures totaled approximately \$887,493.
- (iii) interest on the Debentures following January 12, 2021 will be payable on June 30, 2021 and December 31, 2021, payable at the option of the Company in cash or Common Shares, at a deemed price per Common Share equal to the volume weighted average trading price of the Common Shares on the CSE for the 10 day period prior to the interest payment date; and
- (iv) in the event that the Company elects to pay accrued interest in common shares, the effective interest rate is increased to 15% (from 12%)

Also pursuant to the terms of the Forbearance Agreement the Agent and Secured Creditors agreed during the Forbearance period ending December 31, 2021, that they will not: accelerate the maturity of the obligations under the Debentures or initiate proceedings to collect or enforce the obligations; make an assignment into bankruptcy or join in filing, or support, any involuntary bankruptcy petition with respect to the Company under the laws of Canada or the United States, including the *Bankruptcy and Insolvency Act* (the “BIA”) or any other equivalent legislation dealing with such subject matter in the United States; file or participate in any insolvency, bankruptcy, reorganization, moratorium, receivership or other similar proceedings against the Company under the laws of Canada or the United States, including under the *Companies’ Creditors Arrangement Act*, BIA and *Business Corporations Act* (British Columbia) or any other equivalent legislation dealing with such subject matter in the United States; repossess, foreclose upon, or dispose of, any of the secured collateral, through judicial proceedings or otherwise; or exercise any rights or remedies which would otherwise be available to the Secured Parties under the related security agreements in respect of any event of default existing under such security agreements.

Effective January 12, 2021 the Company issued 3,169,617 Interest Settlement Shares to settle \$887,493 of interest and penalties owed pursuant to the Debentures as of such date. All Interest Settlement Shares to be issued were issued subject to a statutory hold period expiring on the date that is four (4) months and one day from the date of issuance. Since the Company's entry into the Forbearance Agreement, the Company has settled approximately \$618,000 of principal owing under the Debentures in consideration of the issuance of 1,872,727 common shares.

In connection with the Debt Settlement, Martin Bedard received 517,499 common shares of the Company to settle \$144,899 of interest owed under the Debentures and Philip Kirsh received 664,433 common shares of the Company to settle \$186,042 of interest owed under the Debentures and each are considered to be a “related party” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and each issuance is considered to be a “related party transaction” within the meaning of MI 61-101 and is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the shares to be issued to each related party does not exceed 25% of the Company’s market capitalization.

#### **Item 5.1: Full Description of Material Change**

See attached news releases appended as Schedule "A" to this report.

#### **Disclosure Required by MI 61-101**

*(a) a description of the transaction and its material terms:*

See Item 4 above for a description of the Debt Settlement.

*(b) the purpose and business reasons for the transaction:*

The purpose of the Debt Settlement is to reduce the Company’s liabilities while preserving its cash.

*(c) the anticipated effect of the transaction on the issuer’s business and affairs:*

The Company does not anticipate any material effect on the Company’s business and affairs.

*(d) a description of:*

*(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:*

See description in Item 4 above.

*(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

Following Debt Settlement transaction, Mr. Bedard had voting power, control and direction over an aggregate of 1,072,954 common shares of the Company and convertible securities of the Company entitling him to acquire a further 1,403,921 common shares representing approximately 15.5% of the issued and outstanding common shares of the company on a partially diluted basis (based on 14,526,802 common shares of the Company outstanding as of the date hereof and including the exercise of all convertible securities held by Mr. Bedard).

Following Debt Settlement transaction, Mr. Kirsh had voting power, control and direction over an aggregate of 1,269,762 common shares of the Company and convertible securities of the Company entitling him to acquire a further 1,136,363 common shares representing approximately 15.1% of the issued and outstanding common shares of the company on a partially diluted basis (based on 14,526,802 common shares of the Company outstanding as of the date hereof and including the exercise of all convertible securities held by Mr. Kirsh).

*(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

The Debt Settlement and Forbearance Agreement transaction was approved by the Company's board. A special committee was not established in connection with the approval of the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

*(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

*(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

*(i) that has been made in the 24 months before the date of the material change report:*

Not applicable.

*(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

*(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

See description in Item 4 above.

*(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

The Debt Settlement to Messer's Bedard and Kirsh is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(b) as the Company's shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the Shares issued to each related party did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Debt Settlement, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Debt Settlement and transactions contemplated in the Forbearance Agreement in a timely manner.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)**

Not applicable.

**Item 7: Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8: Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

NuRAN Wireless Inc.  
Francis Letourneau, Director and CEO  
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**Item 9: Date of Report**

This report is dated as of January 22, 2021.

**SCHEDULE "A"**

News Releases