



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended

October 31, 2018 and 2017

GENERAL

The following Management Discussion and Analysis of financial condition and results of operations ("MD&A") of NuRAN Wireless Inc. ("we", "us", "our", the "Company" or "NuRAN") (formerly 1014372 B.C. Ltd.) for the year ended October 31, 2018 has been prepared by management and should be read in conjunction with the condensed interim consolidated financial statements for the year ended October 31 2018 and 2017 and the related notes thereto. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). References to notes are with reference to the consolidated financial statements. Unless otherwise noted, all currency amounts are in Canadian dollars. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

Unless otherwise stated, this MD&A is prepared as of February 26, 2019

DISCLAIMER FOR FOWARD LOOKING STATEMENTS

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

Although NuRAN has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect NuRAN. Additional factors are noted under "Risk Factors" in this MD&A. The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Issuer or



NuRAN undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

CORPORATE STRUCTURE

NuRAN was incorporated under the *Business Corporations Act* (British Columbia) on September 23, 2014. The Company was initially a wholly-owned subsidiary of Bravura Ventures Corp. ("Bravura"). On October 14, 2014, the Company entered into an arrangement agreement with Bravura and 1014379 B.C. Ltd., pursuant to which the shareholders of Bravura exchanged certain common shares of Bravura for common shares of NuRAN by way of a plan of arrangement (the "Arrangement") and NuRAN became a reporting issuer in the provinces of British Columbia and Alberta.

Following completion of the Arrangement, NuRAN entered into an amalgamation agreement dated March 11, 2015 with Nutaq Innovation Inc. ("Nutaq") and 9215174 Canada Inc. ("Newco"), a wholly owned subsidiary of NuRAN formed for the purpose of the amalgamation, pursuant to which Nutaq amalgamated with Newco and NuRAN acquired all of the issued and outstanding shares of the amalgamated company in consideration of 32,999,994 common shares of NuRAN based on a ratio of 2.749 NuRAN common shares for each share of Nutaq issued and outstanding on the closing date. Nutaq and Newco completed the amalgamation on June 2, 2015 and the amalgamated company was named "Nutaq Innovation Inc.". Following the closing of the transaction, NuRAN had 40,471,869 common shares issued and outstanding and former shareholders of Nutaq acquired 81.5% of the issued and outstanding common shares of NuRAN. Following closing of the Amalgamation, Nutaq Innovation Inc. is a wholly owned subsidiary of NuRAN and NuRAN operates the business of Nutaq.

Nutaq was incorporated under the laws of Canada on May 30, 2005 under the name "Lyrtech RD Inc.". Nutaq changed its name to "Nutaq Innovation Inc." on August 31, 2012. Nutaq's registered and head office is located at 2150 Cyrille-Duquet Street, Suite 100, Quebec, Quebec G1N 2G3. Nutaq does not have any subsidiaries.

DESCRIPTION OF BUSINESS

NuRAN Wireless, with its wholly owned subsidiary Nutaq Innovation inc., is a leading supplier of mobile and broadband wireless infrastructure solutions. Its innovative radio access network (RAN), core network, and backhaul products dramatically reduce the total cost of ownership, giving mobile network operators (MNO) the ability to profitably serve remote, low income and low population density locations, an unfeasible proposition with existing systems, thereby creating new opportunities for mobile network operators and internet service providers.

The Company provides a variety of specialized systems for indoor coverage, rural connectivity in emerging markets, connectivity to offshore platforms and ships, private mobile networks or custom solutions for specific markets such as Internet of Things (IoT), public safety, emergency or crisis communications.

NuRAN's wireless solutions are also capable of supporting mobile payment transactions, a tremendous social and economic benefit for those in the developing world where 95% of all transactions are cash and 60% of adults don't currently have a bank account.



The Company generates revenue from three sources:

➤ Sale of Wireless Infrastructure Solutions ("WIS")

NuRAN's WIS solutions are infrastructure wireless devices (e.g. base station radios) that use proprietary breakthrough small cell solution to offer better coverage, the lowest installed cost and the most efficient power consumption currently available in the global marketplace. Our design provides two key competitive advantages:

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

During this twelve-month period, this stream includes revenues from sales of WIS to Original Equipment Manufacturers (OEM'S).

➤ Advanced Development Platforms ("ADP") services

ADP's services are provided by NuRAN's wholly owned subsidiary Nutaq Innovation and focus primarily on the wireless, scientific/medical and defense markets providing its customers with the prototyping tools needed to:

- Execute on increasingly complex designs addressing the growing sophistication of markets such as 4G and 5G;
- Speed up the development and validation of IoT devices by enabling testing directly in the developers' lab with Nutaq's PicoLTE
- Decrease new product design costs and time to market;
- Decrease product design risks; and
- Offer product differentiation through innovation.

➤ Engineering Design Services

Also through Nutaq Innovation, the Company applies its expertise and 30 years of experience in hardware and software for Digital Signal Processing (DSP) and the wireless market place to help its clients convert ideas into products.

GENERAL OBJECTIVES

The Company's mission is to enable its clients to profitably connect the 4 Billion of people without broadband connectivity and the Next Billion of wireless communication users, those that do not have the benefit of accessing reliable telecommunications and power infrastructures.



The company delivers the world's most affordable, lowest power consumption and easiest to deploy wireless solutions. NuRAN deploys its own breakthrough small cell solution in traditionally underserved and emerging markets, addressing the CapEx and OpEx challenges of operators, allowing the Telcos to deploy profitably in the least population dense and most remote areas at the lowest Average Revenue Per User (ARPU).

The Company's products continue to be tested by several MNOs and community organizations in many countries around the World, providing voice and data to villages in rural areas not covered by any kind of voice or data networks as well as in urban areas where there are still opportunities to provide an affordable service.

Multiple trials have been successfully conducted with MNOs and resulted in product/vendor, a prerequisite for being able to sell the equipment.

OVERALL PERFORMANCE AND OUTLOOK

Performance

During the year ended October 31, 2018, the Company continued the implementation of its strategy to become the supplier of choice to Mobile Network Operators (MNO) across the World for remote and rural area without connectivity.

Management's decision in 2016 and continuous effort in the current year to redirect NuRAN's efforts to the MNO market was made with the awareness that this change would require considerable initial investments in marketing, branding, sales, field tests and to prepare for increased production. These investments were planned to be recovered over the next couple of years through increased market visibility, higher sales and better gross margins.

In spite of delays incurred throughout the qualification process with MNO's, the growing sales pipeline confirms management's expectations.

The increased interest of MNO's in Nurans' solutions resulted in a significant increase in the number of many trials and Interoperability Operation Test ("IOT"), conducted in 2018.

As an example, we were active in more than 10 countries in Africa alone. These trials and IOT increased our current costs and do not create revenues in the immediate but they will generate future revenues as NuRAN's solutions perform effectively in all the tests and become qualified and certified by MNOs

The Company's ongoing investments in research and development, engineering and manufacturing have been rewarded with the acknowledgment by leading industry organizations and participants that NuRAN's Wireless Infrastructure Solutions are "at the top of its class".

In that regard, this recognition was confirmed when the Company earned the prestigious Frost and Sullivan's Enabling Technology Leadership Award in April of 2018.

In addition, NuRAN's marketing and branding efforts have significantly increased the market's awareness of its wireless solutions.



Some of the achievements that support this view include:

- Collaborating with Facebook to deliver OpenCellular;
- A partnership with Facebook, Cavium and Keysight on the development of an LTE version of OpenCellular;
- Recurrent order from Globe Telecom for rural mobile deployment in Philippines;
- Introduction of the OC-2G, a new OpenCellular product, with initial deployment of the solution in Africa;
- Continued collaboration between NuRAN and U-Blox on NB-IoT demo with PicoLTE;
- First Blockchain mobile crypto transaction enabled on NuRAN wireless deployment in Nigeria, enabling rural mobile transaction for billions of people unbanked;
- NuRAN selected with Google, Nokia and Ericsson to be featured at Mobile World Congress by GSMA;
- NuRAN launches Turnkey Cellular site solution;
- NuRAN signed for 1,8M CAD of purchases orders in the second quarter;
- NuRAN selected by Africa Mobile Network for multiple African countries;
- NuRAN and Avanti Communications sign partnership agreement;
- NuRAN conducts OpenCellular trials with Tier-1 MNOs;
- NuRAN to Provide Mobile Operators with 2G, 3G and 4G capabilities from a single Piece of Equipment;

The above progresses and achievements reinforce management's belief on the success of the Company's strategic shift and that NuRAN is positioned to become the market leader in this very important and growing space which should generate strong returns to its shareholders.

Outlook

NuRAN's WIS solutions are currently being tested by MNOs and community organizations in more than 20 countries in South East Asia, Africa, South America and Mexico. These test deployments and the numerous partnerships established with tier-one MNOs continue to grow our sales pipeline.

Some of the projects underway and expected to translate into future revenues include:

- Approximately 25% of AMN's CAD \$1M initial order of NuRAN's LiteCell 1.5 systems was delivered during the current year, with the remainder planned to be delivered in 2019;



- NuRAN's partnership with Facebook, Cavium and Keysight to develop a complete low-cost LTE base station. Such product was announced at the latest TIP summit in Santa Clara last November 2017 but mostly first unit was deployed to Tier One operator in Africa in January 2018;
- NuRAN enabling first blockchain mobile transaction for Billions of unbanked people;
- NuRAN Selected for Africa deployment by operators and System Integrator;
- NuRAN completes Interoperability testing with Tier One operator;
- NuRAN conducts OpenCellular trials with Tier-1 MNOs;
- NuRAN signed exclusivity agreement for its OC-2G solutions with Africa Mobile Network for 3 countries in Africa for more than 3,000 sites;
- NuRAN received purchase orders from AMN for more than 500 sites, part of the 3,000 exclusivity agreement;
- NuRAN signed agreement for Kenya for up to 250 sites;

The Company continues to develop new technological advanced products, such as the 5G massive MIMO (Canadian and USA patent awarded) and the PicoLTE, positioning the Company well to service its customers' current and future needs.

The quality of the Company's engineering expertise continues to be recognized by its customers, as demonstrated by the number of contracts received during the year.

It is also this engineering expertise that has been recognized with the inclusion of NuRAN in the world class Telecom Infra Project ("TIP"). The company's involvement and contribution to the TIP is now well established and new products developed in the scope of this project added to the Company's portfolio will bring higher recurring revenue.

In September 2018, NuRAN expanded its offerings by introducing the Mobile Network Enabler ("MNE"). This new model is complementary to NURAN's existing CAPEX model and is targeted at (MNOs) that choose to use financial or technical support to establish or expand their network.

NURAN's MNE will facilitate network rollouts for MNOs by providing them with a fully integrated, turnkey solution with zero-CAPEX requirement where NuRAN provides its mobile network solutions as a service.

In this model the MNO will enter into a five year leasing agreement with NuRAN with monthly payments that cover our entire system, the physical infrastructure providing the network as well as its maintenance. he MNO will have the right to acquire the infrastructure at the end of the leasing period.

The following discussion of the Company's financial performance is based on the condensed interim consolidated financial statements for the years ended October 31, 2018 and 2017.



Factors Concerning the Company's Financial Performance and Results of Operations

To evaluate the results of the strategic shift, management closely monitors four key measures of the Company's performance: Revenue, Gross Profit Margins (GPM), Earning Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Net Income.

Revenue growth measures the success of our marketing and sales efforts. It will be dependent on the Company's ability to penetrate new markets and gain new customers for existing and new products and services. The investments in marketing and sales and the new products launched since 2016 have increased our sales pipeline, started to generate sales and should produce increasing revenues.

GPM measures how efficiently and effectively NuRAN delivers its systems and services to its clients. The production test bench investments started in 2016 and continuing through 2017 and 2018 to address increased sales volumes should result in reduced cost of sales and increased GPM.

EBITDA measures the entire operations by including selling and administrative costs. It should increase as sales grow.

Management believes that net income is a measure of how efficiently and effectively the business is running. To achieve an acceptable net income, the company needs to significantly increase its revenues, while maintaining or slightly increasing its selling and general administration costs.

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial data derived from the condensed interim consolidated financial statements of the Company as at October 31, 2018, October 31, 2017 and October 2016 and for the periods then ended:

	Year ended October 31, 2018	Year ended October 31, 2017	Year ended October 31, 2016
Total revenues	\$ 4,169,237	\$ 6,019,133	\$ 5,123,470
Total loss	\$ (3,497,000)	\$ (2,003,725)	\$ (3,195,686)
Net loss per share – basic	\$ (0.03)	\$ (0.02)	\$ (0.06)
Net loss per share – diluted	\$ (0.03)	\$ (0.02)	\$ (0.06)

	As at October 31, 2018	As at October 31, 2017	As at October 31, 2016
Total assets	\$ 7,549,728	\$ 7,520,862	\$ 4,577,024
Total non-current financial liabilities	\$ 206,657	\$ 293,639	\$ 1,249,588

RESULTS OF OPERATIONS**Revenue**

The \$1,849,896 decrease in revenue for the year ended October 31, 2018 compared to the year ended October 31, 2017 results from lower revenue in the Advanced Development Platform and Engineering Services divisions due to the previously announced shift from a services provider business model to a proprietary solutions business model.

Gross Profit

Gross profit for the year ended October 31, 2018 decreased by \$1,413,776 compared to the year ended October 31, 2017. In addition to the lower sales, other factors that contributed to this decrease include: (a) increase in first trial units having lower margins and no margin (b) decrease in third-party engineering contracts and (c) decrease in sales of Advance Development Platform division with higher margin.

Gross Margin for the year ended October 31, 2018 decreased to 34.70% from 47.52% for the year ended October 31, 2017. This decrease was a result of a decrease of revenues in the Engineering Services division, deployment of solutions for trials, IOT equipment at minimal margin and an unusually important credit of \$260,200 regarding an Engineering Agreement.

Expenses

During the year ended October 31, 2018 total expenses decreased by \$624,015 from the year ended October 31, 2017. This improvement was mainly due to a reduction of \$571,311 in administrative and selling expenses, an increase of \$328,567 in research and development tax credits for expenses incurred in prior years partially offset by a non-cash increase of \$216,035 in accretion costs related to the convertible debenture

Net Loss Before Other Elements and Income Taxes

As a result of all the factors mentioned above the net loss Before Other Elements and Income Taxes for the year ended October 31, 2018 increased to \$3,500,630 from the year ended October 31, 2017 loss of \$2,710,869.

Other Elements and Income Taxes

Other Elements and Income Taxes for the year ended October 31, 2018 generated a net gain of \$3,630 compared with \$707,144 in the year ended October 31, 2017. This improvement was due to a decrease in non-cash costs related to debt settled through the issue of shares and accounting changes in the fair value of the convertible debentures.

Net Loss and Total Comprehensive Income

As a result of all the factors mentioned above the Net Loss and Total Comprehensive Income for the year ended October 31, 2018 increased to \$3,497,000 from the year ended October 31, 2017 loss of \$2,003,725.



Financial Highlights of the year ended October 31, 2018

For the year ended October 31, 2018, Company's financial performance was the following as compared to the year ended October 31, 2017:

- Revenue of \$4,169,237 compared to \$6,019,133 for the twelve months ended October 31, 2017;
- Adjusted gross margin of 39.8% compared to 47.52% for to the twelve months ended October 31, 2017;
- Gross Profit of \$1,446,697 compared to a Gross Profit of \$2,860,473 for the twelve months ended October 31, 2017;
- Net Loss Before Other Elements and Income Taxes of \$3,500,630 compared to \$2,710,869 during the twelve months ended October 31, 2017;
- Net Loss of \$1,406,799 for the fourth quarter of 2018 compared to a Net Loss of \$253,864 for the same quarter of 2017.

Expenses

Below is a discussion of the expenses for the year ended October 31, 2018

	2018	2017	% change from 2017
Selling expenses	1,228,367	1,496,902	-17.94%
Administrative expenses	1,713,373	2,016,149	-15.02%
Financial expenses	1,358,373	1,146,346	18.50%
Research and development costs, net of \$653,294 (2017 - \$324,727) in tax credits	647,214	911,945	-29.03%
	4,947,327	5,571,342	-11.20%

Selling expenses

Selling expenses consist of salaries to sales staff, commissions on sales, travel expenses, trade shows and presentations. The decrease from 2017 is due better control of expenses focus on qualified opportunities.

Administrative expenses

Administrative expenses consist of remuneration, legal fees, audit and accounting fees, insurance, rent, consulting fees and general office expenses. The decrease primarily attributed to a better control of expenses

Financial expenses

Financial expenses consist of loan interest, fees on factoring accounts receivable and gain/loss on exchange rate.



The increase was mainly caused by a non-cash increase of \$216,035 in accretion costs related to the convertible debenture

Research and development

The main reason for the decrease in research and development costs over the year ended October 31 2018 was an increase of \$328,567 in research and development tax credits collected for expenses incurred in prior years.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Net Revenues (\$)	Net Gain (Loss)	
		Total (\$)	Basic and Diluted Loss Per Share (\$)
31-Oct-18	528,443	(1,406,799)	(0.01)
31-Jul-18	1,340,318	(968,948)	(0.01)
30-Apr-18	1,025,302	(424,779)	(0.01)
31-Jan-18	1,275,174	(697,459)	(0.01)
31-oct-17	1,780,065	(253,864)	(0.00)
31-jul-17	1,909,019	7,031	(0.00)
30-Apr-17	1,225,293	(936,256)	(0.01)
31-Jan-17	1,104,756	(820,630)	(0.01)
31-Oct-16	960,047	(1,915,735)	(0.02)

FOURTH QUARTER

During the three months ended October 31, 2018, the Company earned revenues of \$528,443 compared to \$1,780,065 during the three months ended October 31, 2017, a decrease of 70.31%. The decrease in revenue is due to a decrease in Engineering Services sales, slower pace of sales orders from MNO's and an unusually important credit of \$260,200 regarding an Engineering Agreement.



Gross profit for the three months ended October 31, 2018 was a loss of \$147,457 compared to a gain of \$568,771 for the same period of 2017. This decrease is attributed to the decrease in revenue from the Engineering Services division and an unusually important credit of \$260,200 regarding an Engineering Agreement. Nevertheless, as a result, the adjusted gross margin is 22% compared to 32% gross profit margin for the same quarter in 2017.

The net loss for the quarter was \$1,406,799 compared to a net loss of \$253,864 for the same quarter in 2017. The increase in the net loss is due to the significantly lower revenues, the reduction of gross profit margin and an unusually important credit of \$260,200 regarding an Engineering Agreement.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash increased to \$222,421 at October 31, 2018, from \$154,752 at October 31, 2017. Current assets decreased to \$3,537,853 from \$3,542,415 as at October 31, 2017.

The change in cash balance was the result of cash generated from financing activities in the past 12 months (cash received on issuance of equity and debenture, less repayment of debts) being offset by cash used by operating activities and cash used in investing activities (primarily the purchase of equipment and purchase of intangible asset). The increase in the total current assets was due mainly to an increase in receivables and inventories.

During the year ended October 31, 2018, NuRAN Wireless Inc. issued 31,915,168 Class "A" common shares for cash consideration of CAD \$2,978,122 and the conversion of \$981,400 of debt

Future Financing

Management closely monitors the Company's current cash position and the short-term and long-term cash requirements and recognizes the need for improved cash flow and liquidity for future operations and growth. Notwithstanding its cash position at October 31 2018, the Company will look for additional financing for costs related to operations and its growth strategy (including the purchase of new equipment, continuous development of the 4G LTE next generation wireless solutions and development of Multi-Standard 2G, 3G and 4G platform).

NuRAN has a strong sales pipeline of over 50 opportunities totalling over CAD \$200 million of possible revenue. While monitoring the progress of the sales process, management assigns each opportunity a probability of success that depends on the pace and stage of each negotiation. Based on that assessment the weighted average value of the sales pipeline is in excess of CAD\$60 million.

Although the Company's operations currently generate positive cash flow, these are not sufficient to cover its administrative costs and finance its sales growth and the Company will continue to depend on its ability to convert its sales opportunities into purchase orders as well as on future equity issuances or other means of financing to finance its operations.

The ability of the Company to continue operating will therefore be dependent upon obtaining additional financing as required. The timing and ability to do so will depend on the liquidity of the financial markets as well



as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

In that regard, on June 4, 2018, the Company announce it has closed its previously announced non-brokered private placement of units of the Company ("Units") at a price of \$0.12 per Unit, each Unit consisting of one common share (a "Share") and one share purchase warrant (a "Warrant") for aggregate gross proceeds of \$2,519,600 (the "Offering"). In connection with the Offering the Company also settled \$944,650 of debt owed to various insiders, employees and consultants of the Company in consideration of an aggregate of 6,747,500 Units (the "Debt Settlement").

The Company issued an aggregate of 27,744,168 Units pursuant to the Offering and Debt Settlement. Each Warrant issued entitles the holder to acquire one additional Share at a price of \$0.20 per Share for a period of 24 months from closing. In connection with the Offering the Company paid finder's fees consisting of cash fees totalling \$567,389 and issued an aggregate of 1,203,182 finder's warrants exercisable at a price of \$0.12 per Share for a period of 24 months from closing. All securities issued are subject to a hold period expiring four months and one day from closing in accordance with applicable securities laws.

On July 10, 2018, the Company announce it has closed its second and last tranche of this non-brokered private placement of units of the Company ("Units") at a price of \$0.12 per Unit, each Unit consisting of one common share (a "Share") and one share purchase warrant (a "Warrant") for aggregate gross proceeds of \$500,520 (the "Offering"). In connection with the Offering the Company includes a \$36,750 of debt owed to a company controlled by an officer in consideration of an aggregate of 350,000 Units (the "Debt Settlement").

The Company issued an aggregate of 4,171,000 Units shares pursuant to the Offering. Also each Warrant issued entitles the holder to acquire one additional Share at a price of \$0.20 per Share for a period of 24 months from closing. In connection with the Offering the Company paid finder's fees consisting of cash fees totalling \$13,548 and issued an aggregate of 112,070 finder's warrants exercisable at a price of \$0.12 per Share for a period of 24 months from closing. All securities issued are subject to a hold period expiring four months and one day from closing in accordance with applicable securities laws.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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

Bleu, Gestion & Investissements inc., ("Bleu") a company controlled by Martin Bédard, President and CEO, is under a services agreement with the Company for a monthly fee amount of \$10,000. As at October 31 2018, \$23,184 was owed to Bleu.

Finexcorp Inc, a company controlled by Martin Bédard, President and CEO, is under an account receivable factoring and financing agreement with the Company. Finexcorp received factoring fees under this agreement.



As at October 31, 2018, \$1,098 was owed to Finexcorp Inc and was included in accounts payable (\$995) and accrued liabilities (\$104).

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

The transactions with related parties are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to between the Company and the related parties and did not differ from the arm's length equivalent value for these services.

Other related party transactions

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

	2018	2017
	\$	\$
Shareholders		
Interest expenses	65,292	22,500
Companies under common control		
Revenues		
Rent	8,400	
Expenses		
Administrative expenses	120,988	247,476
Financial expenses	122,956	234,480

PROPOSED TRANSACTIONS

As at the date of this MD&A there are no proposed transactions.

COMMITMENTS

The Company leases office space with a minimum rental payment of \$16,000 per month for a 2 years term.

RECENT EVENTS

On September 2018, NuRAN announced to provide Mobile Operator with 2G, 3G and 4G Capabilities from a single piece of equipment.

On October 2018, NuRAN introduces Mobile Network Enabler Model;

On October 2018 and February 2019, NuRAN Received Purchase Orders from Africa Mobile Network;

In November 2018, NuRAN has secured a long term low interest loan of up to \$3M CAD with Quebec



Government and its "Créativité Québec" program where 75% of all expenses related to the upcoming Multi Standard LiteCell xG is financed through the program;

In November 2018, NuRAN announced Agreement for Kenya for Initial Test roll out and deployments in 2019;

In January 2019, NuRAN announced the Grant of United States Patent for its Proprietary 5G Massive MIMO Technology;

In January 2019, NuRAN Appointed Industry Veteran Christian de Faria as New Director;

In January 2019, NuRAN partnered with Israel's Spacecom AMOS 17 for project in Africa;

In February 2019, NuRAN announced a Non-Brokered private placement up to CAD 1,5M;

In February 2019, CAD \$480,000 of the secured convertible debenture was converted into equity of the company;

In February 2019, NuRAN will be presenting its Multi Standard platform at MWC 2019 in Barcelona, Spain

ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Allowance for Bad Debts

The Company establishes an appropriate provision for uncollectible or doubtful accounts. Estimates of recoverable amounts are based on management's best estimate of a customer's ability to settle its obligations, and actual amounts received may be affected by various factors, including industry conditions and changes in individual customer financial conditions. To the extent that actual losses on uncollectible accounts differ from those estimated in the Company's provision, both accounts receivable and net earnings will be affected.

Functional Currency

In concluding on the functional currency of the parent and its subsidiary company management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Provisions for Inventory

Management makes estimates of the future customer demand for the Company's products when establishing appropriate provisions for inventory. In making these estimates, management considers product life of inventory and the profitability of recent sales of inventory. In many cases, product sold by the Company turns over quickly and inventory on-hand values are lower, thus reducing the risk of material misstatement. Management ensures that systems are in place to highlight and properly value inventory that may be approaching "best before" dates. To the extent that actual losses on inventory differ from those estimated, both inventory and net earnings will be affected.

CRITICAL ACCOUNTING POLICIES

Financial Instruments

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets and liabilities are classified as FVTPL when the financial asset or liability is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

SHARE CAPITAL

Issued

The company has 144,842,610 common shares issued and outstanding as of February 26, 2019. There are no securities of any other class issued and outstanding.

Share Purchase Options

The Company has 7,780,000 stock options at February 26, 2019.

Warrants

The following is a summary of warrants outstanding, all of which are exercisable, as at February 26, 2019

Exercise Price	Quantity	Weighted average contractual life (years)
\$0.12	1,315,252	1.60
\$0.15	366,440	0.04
\$0.20	31,915,168	1.61
\$0.25	740,800	0.33
\$0.30	9,100,000	1.32
\$0.45	<u>9,100,000</u>	2.32
	<u>52,537,660</u>	

CONVERTIBLE DEBENTURE

As of October 31, 2018, the Company has a secured convertible debenture of \$4,250,000 outstanding. It matures on August 23, 2019 and is convertible, at any time before the maturity date, at the option of the holder, at a price of \$0.12 per common share. However, as of February 26, 2019, the new conversion price is at \$0.10 per common share and the amount outstanding is \$3,770,000.



On August 23, 2018, the Company announce it has amended the terms of its previously issued 12% Senior Secured Convertible Debentures (the "Debentures") to extend the maturity date of the Debentures from August 23, 2018 to August 23, 2019 (the "Debenture Amendment"). In consideration of the extension of the maturity date the Company agreed to extend the expiry date of the Series A Warrants issued in the original debenture offering from February 23, 2019 to February 23, 2020 and the expiry date of the Series B Warrants from February 23, 2020 to February 23, 2021. Except as outlined above all other terms of the Debenture and Series A and Series B Warrants are unaltered and continue to be in force and effect.

In connection with the Debenture Amendment certain debentureholders holding an aggregate of \$300,000 of Debentures agreed to assign their Debentures to new debentureholders pursuant to an assignment agreement. As consideration for the assignment and extension of the Debentures, the Company issued to the new debentureholders an aggregate of 600,000 Series A special warrants and 600,000 Series B special warrants. Each of the Series A and Series B special warrants will be subject to the same terms and conditions of the amended Series A and Series B Warrants.

RISKS

Additional Financing Requirements and Access to Capital

NuRAN's ability to realize its assets and discharge its liabilities depends on the continued financial support of its shareholders, the growth and profitability of the future sales of its products that are now marketed and from obtaining additional financing.

Sales Risks

NuRAN's sales efforts target large corporations that require sophisticated data capture and production execution systems to collect and analyze data relating to various operational activities. NuRAN spends significant time and resources educating prospective customers about the features and benefits of its solutions. NuRAN's sales cycle usually ranges from 3 to 18 months and sales delays could cause its operating results to vary. NuRAN balances this risk by continuously assessing the condition of its sales pipeline and making the appropriate adjustments as far in advance as possible. NuRAN's strategy also includes a comprehensive program to build and improve relationships with our long-standing customers to better understand needs and proactively manage incoming business levels effectively.

Foreign Exchange Risk

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

Outsourcing Risk

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

Competition

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

Availability and Cost of Qualified Professionals

The high-technology industry's strong growth increased the demand for qualified staff. So far, NuRAN has successfully met its needs for personnel. NuRAN benefits from its location in Quebec City, which gives it access to a large pool of engineering resources. Aware that the satisfaction of its customers is directly tied to the quality of its employees, NuRAN continues to take measures to attract and retain well-qualified professionals. Ability to Develop and Expand Mix of Products and Services to Keep Pace with Demand and Technological Trends

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

Protection of Intellectual Property

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

Dependence on Customers

NuRAN is currently dependent on a limited number of customers for the sale of its products and services. If one or several of these customers should cease doing business with Nutaq for any reason or should reduce or defer



their current or planned product purchases, NuRAN's operating results and financial position could be adversely affected.

International Operations Risk

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

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

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