Management's Discussion and Analysis of Financial Condition
and Results of Operations of

CRAIG WIRELESS SYSTEMS LTD.

Three and six months ended February 28, 2015

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For the three and six months ended February 28, 2015

Dated April 28, 2015

INTRODUCTION

The following Management Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is supplementary to, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements of Craig Wireless Systems Ltd. (the "Company" or "CWS") for the six months period ended February 28, 2015 and the Company's Annual Information Form dated December 29, 2014 (the "AIF"). Information contained herein includes any significant developments to April 28, 2015. In this MD&A the terms "we", "us", "our" and "Company" refer to the Company and its subsidiaries as a whole, unless the context otherwise requires.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use such words as "may", "will", "expect", "believe", "plan", "intend", "should", "anticipate" and other similar terminology. These statements reflect the Company's current assumptions and expectations regarding future events and operating performance and speak only as of the date of this MD&A. Forward-looking statements involve significant known and unknown risks, uncertainties, assumptions and other factors that should not be read as a guarantee of future performance or results and which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ materially from those anticipated in such statements. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements, including , among others: funding and going concerns; maintenance of the Company's licenses and leases relating to its spectrum assets; general business, economic, competitive, political and social uncertainties; the actual results and timing of current operational activities; pace of successful adaptation to and market acceptance of new technology, availability, development and performance of WiMAX-enabled or other 4G equipment; fluctuations in foreign currency; changes in governmental regulation and control regarding the Company's assets and operations; changes in cost of equipment or processes to build-out and operate 4G Networks (as hereinafter defined) as anticipated; subscriber retention and acquisition; integration of acquisitions; reliance on key personnel; availability of spectrum rights and acquisitions; natural disasters and intention threats to the Company's infrastructure and international business operations. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, which are based upon what management believes are reasonable assumptions, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended and we cannot assure shareholders and investors that our actual results will be consistent with these forward-looking statements. 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.

Future events and results may vary significantly from what we currently foresee. We assume no obligation (and we expressly disclaim any such obligation) to update or revise these forward-looking statements to reflect new events or circumstances. Accordingly, readers should not place undue reliance on any forward-looking statements in this MD&A. For a more detailed discussion of factors that may affect actual results, see the sections entitled "Overview - Our Company – Products and Services and Ongoing Operations" and 'Operating Risks and Uncertainties' below, as well as those under the heading "Risk Factors" in the AIF, available on SEDAR at www.SEDAR.com, which are incorporated herein by reference.

OVERVIEW

Our Company – Products and Services and Ongoing Operations

CWS is a 4G wireless spectrum holder and a wireless service provider that holds or leases a portfolio of spectrum licenses, in part for investment purposes, and over which it presently offers, or may in the future offer, fixed, nomadic, portable or fully mobile broadband connection services, such as high-speed Internet, data communications services, and other high-bandwidth applications through globally accepted standards of 4G enabled networks (i.e. WiMax or LTE) (hereinafter collectively referred to as "4G Networks").[1] The Company intends to capitalize on the demand for wireless connectivity by (i) complying with regulatory requirements in its existing markets; (ii) building and operating limited "phase one" deployment fixed/portable 4G Networks and strategically targeting un-served or underserved residential, business and premium customers which present the highest potential opportunity for profitable operations; (iii) pursuing opportunities to realize the accretive value of network deployments by considering the potential for sales, mergers, partnerships, joint ventures or other business arrangements that meet that strategic goals of the Company to maximize spectrum and business value; and (iv) subject to the availability of cash reserves or attractive financing, acquiring or leasing licenses for the rights to operate on 4G compatible spectrum throughout the world in jurisdictions in which the Company feels the spectrum rights are undervalued or pose an opportunity for accretive growth.

With respect to the potential competition for market acceptance among 4G technologies, the Company believes that it is protected through its strategy of acquiring suitable broadband spectrum in the 2.3 GHz / 2.6 GHz and 3.5 GHz bands, as the 2.3 GHz / 2.6 GHz and 3.5 GHz bands are included in the LTE band specification and therefore the inherent value of spectrum in this band is expected to continue to increase, regardless of the technology deployed over it. The spectrum licenses held or leased by the Company are subject to governmental regulation and allocation. Management believes that such government regulation and allocation also results in the licenses having significant inherent value because such government regulation and allocation acts as a barrier to entry against competitors seeking to deploy 4G Networks over such licensed spectrum.

The demand for broadband access has grown, and continues to grow, significantly around the world, driven in part by the growth of bandwidth-intensive, Internet-based applications and services, such as hosted applications, multimedia content creation and delivery, VoIP, and data back-up and recovery. As broadband Internet penetration grows in developed markets, consumers in these markets are creating and using an increasingly diverse array of appliances and applications. The proliferation of Internet applications and development of powerful but cost efficient user devices has created a demand for increased mobility of broadband Internet services allowing consumers to do more away from their desktops, or to essentially take their desktops with them without sacrificing speed or functionality. As a result, management believes that consumers are increasingly seeking economical, highly reliable and scalable broadband services.

In its pursuit of global spectrum license opportunities, CWS assesses spectrum purchase targets having regard to their attributes including transferability, build-out requirements, market population density, competitive forces and global positioning. This allows the Company the opportunity to hold the spectrum rights and consider whether to build-out networks or position the spectrum rights for sale at a future date. To date, management believes that most of its spectrum assets have not only retained value but have theoretically risen in value when measured against values attained in subsequent spectrum auctions for what management believes are comparable frequencies in comparable jurisdictions. In the past and as part of its long term strategy, the Company has pursued 4G compatible spectrum assets that are capable of supporting a 4G Network to facilitate its development-or-asset holding strategies. The Company has consistently pursued, and, subject to the availability of cash reserves or attractive financing, will continue to review, and if deemed appropriate, pursue 4G Network-compatible spectrum assets to facilitate its development-or-asset holding strategies. Management believes that CWS is well positioned through its portfolio of licensed and leased spectrum, experience in the provision of digital television and broadband access services and through its 4G fixed/portable communications services business, to capitalize on the increasing demand for portability and mobility in the markets in which the Company holds or leases licenses and to execute on its business strategies.

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[1] 4G means the fourth generation of mobile phone standards and technology, a projected total replacement of third generation (3G) mobile phone, smart phones, tablets and other emerging devices' standards and technology. WiMAX-based technology means Worldwide Interoperability for Microwave Access, a next generation wireless standard designed to meet growing demand for fully mobile, high speed broadband access. LTE means Long Term Evolution. Both WiMAX and LTE are 4G technologies and are designed to operate over the type of spectrum owned or leased by the Company.

Licenses

CWS presently has 100% interest in spectrum licenses and/or leases in the Coachella Valley (California), Greece and New Zealand. On April 11, 2013, Craig Wireless New Zealand Spectrum Operations Limited, a newly formed 100% owned subsidiary of the Company, also acquired management rights for an additional 35 MHz of spectrum in the 2.3 GHz range in New Zealand from Kordia Limited, a New Zealand based telecommunications corporation, for aggregate consideration of $NZ 2,200,000. CWS also has a 50% interest in companies that hold spectrum licenses in each of Norway and New Zealand all in the 2.5 GHz,/2.6 GHz band. In New Zealand, the Company also holds 75% ownership of the outstanding ordinary voting shares in Woosh Wireless Holdings Limited which in turnowns 100% of the shares of Woosh Wireless (NZ) Limited. Woosh Wireless (NZ) Limited holds spectrum in New Zealand in the 2.0 GHz and 2.2 GHz spectrum range and, effective March 14, 2013, received the remaining 35 MHz of 2.3GHz spectrum from Railway St Industries Limited (formerly Woosh Wireless Limited) **("Railway") pursuant** to the final stage of the transaction involving the acquisition of assets of Railway that was previously announced on November 10, 2011 and December 2, 2011.

While similar in nature, the business conducted by CWS can be categorized into four separate and distinct geographic regions: (i) the Coachella Valley, California, United States; (ii) New Zealand; (iii) Greece; and (iv) Norway. The general business development within these regions are as follows:

The Coachella Valley

In the Coachella Valley, California, CWS, through its indirect subsidiary, Craig Wireless Palm Springs Inc. ("CW PS"), had entered into leases with California State University – San Bernardino and Caritas Telecommunications for a total of 108 MHz of licensed spectrum in the 2.5 GHz / 2.6 GHz band. The leases of licenses held by CW PS provided for an initial term of 15 years, expiring in February of 2019 and April of 2016, respectively and permitted CW PS to utilize 95% of the capacity of the available 108 MHz. Both leases include the right of CW PS to renegotiate for an additional term. The terms of the lease agreements contain certain network build-out requirements with which the Company has complied.

On September 13, 2011, CW PS entered into an early extension agreement with California State University – San Bernardino which was approved by the Federal Communication Commission (the "FCC") on November 19, 2011, that replaces the previous 15-year lease for the use of the subject spectrum rights with a new 30-year lease that expires in 2041.

The deployment of fixed/portable wireless Internet over a 4G Network is the primary focus of CWS in Palm Springs. In April 2012, the Company opened its first retail store in downtown Palm Springs offering 4G Internet services and equipment to residential and business customers in the Palm Springs and Cathedral City areas. In August, 2013, the Company transitioned its retail operations from its Palm Springs location to its new location in the Westfield Shopping Center located in Palm Desert, California. The Company's network is now capable of providing service to Palm Springs, Cathedral City, and most recently to Palm Desert, Rancho Mirage and Desert Hot Springs, CA.

New Zealand

In December 2007, the Company acquired (on auction) a license for spectrum management rights in New Zealand relating to the use of 40 MHz of spectrum, in two separate lots, in the 2.5 GHz / 2.6 GHz spectrum range, for a cost of NZ $1,055,000 (approximately CAD $900,000), plus approximately $43,000 in expenses related to the auction. These rights commenced in 2009 and the relevant management rights deeds expire if the license holder is not using the spectrum for telecommunications services by December 31, 2014, or December 31, 2016 if the license holder exercises its right to extend the expiry period (discussed further below). Otherwise, the management rights finally expire on December 31, 2028, and vest in the Crown until reallocated. New Zealand's *Radiocommunications Act* 1989 is silent regarding reallocation of management rights on expiry. However, we understand that under current New Zealand policy, subject to a case by case assessment to be conducted by the Crown, in 2023 the Crown will offer to reallocate the management rights to CWS for a further term and at a price to be determined by the Crown, provided that such reallocation is consistent with New Zealand's international radio obligations and the general objective of maximising the value of the spectrum to New Zealand society as a whole (New Zealand Cabinet Policy Committee, 26 May 2004, minute of decision, POL Min (04) 12/4 and New Zealand Cabinet Policy Committee, 13 December 2004, minute of decision). If the offer is not accepted by CWS, the policy provides for the Crown to re-allocate the rights by auction (and there is nothing in the policy to prevent CWS from participating in the auction). There is a risk that this policy may change (see AIF "Risk Factors – Spectrum Rights Maintenance and Regulation – Regulation and Governmental Control"). On March 4, 2014 the Company exercised its right to extend its compliance deadline to December 31, 2016.

On March 12, 2009, the Company completed a transaction with Everest Wireless Partners I LP ("Everest") for the sale of a one half interest in the licenses for spectrum rights held by the Company in Norway and New Zealand for aggregate consideration of $5.75 million US dollars (equivalent to approximately $7.4 million Canadian dollars as at the closing date of the transaction) (the "Everest Transaction"). The Everest Transaction resulted in the Company and Everest each owning 50% of the issued and outstanding shares of two newly formed companies incorporated under the laws of the Cayman Islands that hold the licenses for spectrum rights in Norway and New Zealand. The Everest Transaction was approved by the regulatory authorities in the respective jurisdictions and the rights and requirements associated with the licenses were transferred in their entirety to the newly formed companies. On February 27, 2014 Cayman Spectrum (NZ) Co. exercised its right to extend the date by which it is required to use the 2007 NZ Management Rights for telecom services to December 31, 2016.

On September 15, 2011, the Company's subsidiary, Craig Wireless South Inc. entered into an agreement to purchase certain secured advances owed by Railway, a New Zealand based wireless internet provider, to Kuwait Finance House (Bahrain) B.S.C.(c), New Zealand Australia Private Equity Fund Company B.S.C.(c) ("NZAPEF") and Bridge SPC Limited for the sum of US $5.5 million, US $5.0 million of which was payable by Craig Wireless South Inc. and US $500,000 of which was payable by the then current chairman of Railway or his nominee. Concurrently, the Company entered into a separate agreement for the acquisition of all the spectrum assets held by Railway. Railway owned spectrum rights to use 29 MHz of 2.0 GHz of spectrum, 29 MHz of 2.2 GHz of spectrum and 35 MHz of 2.3 GHz of spectrum in the country of New Zealand. The Company's intention after acquiring the advances and spectrum was to make demand on the advances and subsequently effect a transfer of all of the remaining assets, business and employees of Railway, to Craig Wireless South Inc. or its affiliate pursuant to the rights granted to a debtor under the Personal Property Securities Act 1999 of New Zealand (the "New Zealand PPSA"). In accordance with the terms of the definitive agreements for the transaction, Craig Wireless South Inc. determined to nominate a newly incorporated entity, Woosh Wireless (NZ) Limited, to acquire the secured loans and Railway assets. Woosh Wireless (NZ) Limited is a wholly owned subsidiary of Woosh Wireless Holdings Limited, a corporation that was at that time beneficially owned as to 51% by Craig Wireless South Inc. and 49% by Walker Wireless Holdings Limited, which is owned by the former chairman of Railway. The 51% interest (510 ordinary shares) was issued for the aggregate consideration of US$1.0 million to Craig Wireless South Inc. and the 49% interest (490 ordinary shares) was issued to Walker Wireless Holdings Limited for nil consideration.

In accordance with an agreement between the shareholders of Woosh Wireless Holdings Limited, a US $4.0 million non-interest bearing demand loan was recorded from Craig Wireless South Inc. to Woosh Wireless (NZ) Limited. Redeemable non-voting and non-participating preference shares issued at an aggregate price of US $500,000 were issued to Walker Wireless Holdings Limited, which shares are redeemable at a face value of US $1,500,000. The redeemable preference shares have been reflected as a current liability at their face value amount of $1,630,903 on the condensed interim consolidated statements of financial position at August 31, 2014, with the excess of the face value over the issue price recorded as a loss on preferred shares of a subsidiary in the consolidated statement of operations in the previous fiscal year.

The closing of the purchase of the secured advances and certain of the spectrum rights owned by Railway occurred on November 10, 2011 and demand for the assets of Railway pursuant to the New Zealand PPSA was made on the same day. The completion of the realization and acquisition of the remaining assets under the New Zealand PPSA in satisfaction of the secured advances was completed on November 30, 2011 and operations under the new Woosh Wireless (NZ) Limited commenced on December 1, 2011. The foregoing transactions are collectively referred to as the "Woosh Transaction". The Company acquired the business in New Zealand to further its spectrum investment and business operations in that country.

On September 24, 2012, the Company subscribed for an additional 24% of Woosh Wireless Holdings Limited increasing the Company's percentage ownership of ordinary voting shares in Woosh Wireless Holdings Limited from 51% to 75%.

Transfer of the remaining spectrum rights (35 MHz of 2.3 GHz spectrum) owned by Railway to Woosh Wireless (NZ) Limited was to occur at a later date following satisfaction of certain conditions all in accordance with the agreement among the parties. On March 14, 2013, the conditions were satisfied and these remaining spectrum rights were transferred to Woosh Wireless (NZ) Limited.

Also, on April 11, 2013, Craig Wireless New Zealand Spectrum Operations Limited, a newly formed 100% owned subsidiary of the Company, acquired management rights for an additional 35 MHz of spectrum in the 2.3 GHz range in New Zealand from Kordia Limited, a New Zealand based telecommunications corporation, for aggregate consideration of $NZ 2,200,000.

Similar to the 2.5/2.6 GHZ rights obtained in December 2007 NZ Management Rights, the management rights deeds for both the 35MHz transferred from Railway and the 35 MHz acquired from Kordia Limited expire if the license holder is not using the spectrum for telecommunications services by December 31, 2014**,** or in the case of spectrum acquired from Kordia Limited, December 31, 2016 if the license holder exercises its right to extend the expiry period pursuant to the management rights deed in respect of such rights. Provided that the regulatory requirements are met prior to the applicable deadline of management rights deed, the management rights finally expire on November 25, 2030, and vest in the Crown until reallocated. On July 11, 2014 Craig Wireless New Zealand Spectrum Operations Limited exercised its right to extend the date by which it is required to use the Spectrum Management Rights for telecom services to December 31, 2016.

As indicated above, New Zealand's *Radiocommunications Act* 1989 is silent regarding reallocation of management rights on expiry. However, we understand that under current New Zealand policy, subject to a case by case assessment to be conducted by the Crown, in 2025 the Crown will offer to reallocate the management rights to CWS for a further term and at a price to be determined by the Crown, provided that such reallocation is consistent with New Zealand's international radio obligations and the general objective of maximising the value of the spectrum to New Zealand society as a whole (New Zealand Cabinet Policy Committee, 26 May 2004, minute of decision, POL Min (04) 12/4 and New Zealand Cabinet Policy Committee, 13 December 2004, minute of decision). If the offer is not accepted by CWS, the policy provides for the Crown to re-allocate the rights by auction (and there is nothing in the policy to prevent CWS from participating in the auction). There is a risk that this policy may change (see AIF "Risk Factors – Spectrum Rights Maintenance and Regulation – Regulation and Governmental Control").

Management accounted for the Woosh Transaction as one business combination. The assets and liabilities were transferred on November 30, 2011 and operations in the Woosh Wireless (NZ) Limited commenced on December 1, 2011. The fair value of identifiable assets acquired and liabilities assumed on the acquisition date in Canadian dollars were consolidated in the statement of financial position as follows:

Cash and cash equivalents	$ 1,316,851
Accounts receivable	348,800
Prepaid expenses and deposits	123,833
Inventories	50,168
Property and equipment	5,138,084
Intangible assets	550,293
Accounts payable and accruals	(2,211,619)
Other assets	322,189
Finance lease obligations	(30,283)
Total identifiable net assets at acquisition date	$ 5,608,316

As at August 31, 2012, management had concluded the measurement of its assessment of fair values of the net identifiable assets at the November 30, 2011 transaction date, and had concluded that the fair values of the net identifiable assets were equal, in total, to the $5,608,316 consideration paid in the arms-length transaction.

On September 24, 2012, the Company acquired from treasury additional common shares of Woosh Wireless Holdings Limited for US $1,000,320 and thereby increasing the Company's equity ownership of Woosh Wireless Holdings Limited from 51% to 75%. The reduction of the non-controlling interest from 49% to 25% has resulted in a decrease in shareholders' equity of $470,784. Transaction costs of $30,809 were charged to contributed surplus in the condensed interim consolidated statement of changes in equity.

Currently, the Woosh Wireless (NZ) Limited business consists of two operations, wireless broadband services and reseller of fixed line broadband services. Management has implemented several margin and cost improvement programs to improve the financial performance of these operations. Revenue erosion related to the wireless broadband operations is due largely to the loss of subscribers caused by the performance limitations of the legacy 3G (WCDMA) network. The Company is pursuing options to potentially migrate to a competitive 4G technology.

Greece

Pursuant to a license acquisition agreement dated August 9, 2005, Craig Wireless Systems (Cyprus) Limited, a subsidiary of the Company purchased a spectrum license from Europrom Telecommunications S.A. for 56 MHz of licensed spectrum in the 3.5 GHz band. The first term of the spectrum license held by the Company in Greece expires on January 22, 2016. While it is presently the intent of the Company to renew the license, the license renewal process is uncertain. In addition, the EETT may require a public auction of the spectrum rights or require the Company to pay additional amounts at time of renewal. The amount of the payment has not been determined by the EETT and there is not sufficient precedent to ascertain whether the renewal fees will be negligible or substantial (see AIF "Risk Factors – Spectrum Rights Maintenance and Regulation – Regulation and Governmental Control").

In April, 2007, Craig Wireless Hellas S.A. ("CWH"), commenced deployment of a WiMAX-enabled network in Greece. Evolving regulatory, economic and competition conditions gave cause to re-evaluate the Company's strategy for Greece. During the 2nd half of 2012, a trial 4G "point to multipoint" technology was deployed. The ability to deploy such technology reduces the amount of required regulatory consents and requires significantly fewer sites to meet regulatory conditions of the license. Since deployment of the trial network, the Company is evaluating market conditions for high capacity broadband connections to small and medium size business.

A hearing before the EETT (the National Telecommunications and Post Commission of Greece) took place on December 1, 2009. The purpose of the hearing was for the new EETT administration to receive submissions from CWH and issue a decision on whether or not CWH had met, or substantially met, its obligations under the Greek License. The EETT issued Decision Number 558/030/18.03.2010 on March 18, 2010 which stated that: (i) no financial penalty was imposed on CWH; (ii) the Company's license would not be revoked; (iii) CWH was granted a twelve month extension in order to facilitate the deployment of the network; and (iv) CWH must send a report to the EETT every three months regarding the progress of the deployment. The required reports were provided and the coverage of the network as required is technically now in compliance with the EETT requirements. The Company meets with the EETT on a regular basis to ensure that it is in compliance with the provisions of the current electronic communications framework in Greece.

The operating subsidiary in Greece, Craig Wireless Hellas S.A., is wholly owned by Craig Wireless Systems (Cyprus) Limited, a 99% owned subsidiary of the Company incorporated in Cyprus.

During the 2013 year, the Company recognized a total impairment provision of $1,215,253 related to the decline in the estimated net recoverable value of certain network equipment in Greece (includes equipment from uninstalled masts). During the 2014 year, a further impairment of $445,072 was recognized in relation to the remaining network equipment in Greece. The impairment resulted mainly from the fact that the equipment was purchased from a vendor that operated under WiMax technology which is no longer in use as the vendor was acquired by another company and cannot provide support any longer.

Norway

In November 2007, the Company acquired (on auction) a license of spectrum rights to use 50 MHz of 2.5 GHz / 2.6 GHz spectrum in Norway at a cost of 72,391,000 Norwegian Kroners (which was the equivalent of approximately $12.8 million), plus approximately $500,000 in expenses relating to the auction. There are no requirements for build-out or coverage attached to the spectrum license, which is tradable and valid until 2022. No operational activity is expected in Norway in the near term. CWS now owns a one half interest in this license through Cayman Norway (NO) Co. following the Everest Transaction (see description of Everest Transaction in New Zealand section above) with Everest owning the other one half interest.

During the final quarter of 2014, a review was carried out of the value of the spectrum held by Cayman Norway (NO). Due to the fact that there are a limited number of recent transactions in Norway, and more recent global transactions are not entirely comparable due to economic, demographic and geographic factors. Given the available data, management estimated fair value of the spectrum license held by Cayman Norway (NO) to be between $7,052,745 USD and $8,431,500 USD. Management considered the mid-point in the range of values to be the most appropriate estimation of fair value less costs of disposal; $8,418,010 CAD. As a result, an impairment charge of $1,435,729 is included in share of loss on joint ventures, based on the Company's 50% share of CSNO.

Canada

During the 2010 fiscal year and as described in greater detail below, the Company sold the spectrum licenses and certain other assets it held in Canada to Inukshuk Wireless Partnership (the "Inukshuk Transaction"). As a result, as of the date of completion of the sale (being August 6, 2010), the Company no longer had operations in Canada other than certain operational activities that terminated on October 31, 2010.

Craig Wireless Manitoba Inc. ("CW Manitoba") and Craig Wireless British Columbia Inc. ("CW BC") entered into an asset sales agreement (the "Canadian Asset Sale Agreement") on March 26, 2010 pursuant to which those companies agreed to the sale of their respective spectrum license assets to Inukshuk Wireless Partnership. Inukshuk Wireless Partnership agreed to pay $80 million for all of the spectrum licenses held in Manitoba and British Columbia by CW Manitoba and CW BC, respectively. The final phase of the Inukshuk Transaction closed on August 6, 2010 and the Company received the final balance of the $80 million in sale proceeds on that date.

New Markets

The Company historically has identified and considered, and, subject to the availability of cash reserves or attractive financing, will continue to review, and if deemed appropriate, pursue as part of its long-term strategy the acquisition of spectrum in new (or in its existing) markets. Each new opportunity identified is considered on a case-by-case basis to determine how such opportunity would fit into our plans and current operations. To date, we have pursued a strategy of sourcing potential global spectrum license opportunities through industry contacts, agents and employees of the Company, which has enabled us to capitalize on strategic spectrum purchases. Spectrum purchase targets are assessed having regard to their attributes including tradability, build-out requirements, market population density, competitive forces and global positioning. This allows the Company the opportunity to hold the spectrum and consider whether to build-out networks or sell the spectrum at a future date. Subject to the availability of cash reserves or attractive financing, the Company continues to seek spectrum asset opportunities and may consummate transactions in the near term.

SELECTED FINANCIAL INFORMATION & SUMMARY OF QUARTERLY RESULTS

The following tables set out selected financial information and the quarterly results for the Company for the periods indicated below:

Selected Quarterly Information

	Three month ended February 28, 2015 IFRS	Three months ended February 28, 2014 IFRS	**Six months ended February 28, 2015 IFRS**	Six months ended February 28, 2014 IFRS
Revenue	**$2,448,847**	$3,021,210	**$4,851,411**	$6,193,114
Cost of sales	**1,609,012**	1,913,061	**3,357,241**	3,810,571
Gross margin	**839,835**	1,108,149	**1,494,170**	2,382,543
Expenses				
Employee compensation and benefits	**1,115,983**	1,194,007	**2,136,452**	2,521,054
Operations and administration	**1,031,501**	1,558,721	**2,200,671**	2,944,393
Interest expense	**269,092**	77,731	**490,931**	112,413
Depreciation and amortization	**508,450**	404,317	**903,194**	814,166
Total expenses	**2,925,026**	3,234,776	**5,731,248**	6,392,026
Loss before the undernoted	**2,085,191**	2,126,627	**4,237,078**	4,009,483
Other (income) expense				
Interest income	**(1,307)**	677	**(4,679)**	(1,368)
Gain on sale of assets	**(21,451)**	(51,459)	**(37,573)**	(84,007)
Foreign exchange loss (gain)	**(99,999)**	(3,820)	**(176,787)**	28,474
Sundry loss (gain)	**(84,473)**	101,473	**(162,637)**	126,032
	(207,230)	46,871	**(381,676)**	69,131
Net loss before tax	**1,877,961**	2,173,498	**3,855,402**	4,078,614
Net loss (income)	**$1,877,961**	$2,173,498	**$3,855,402**	$4,078,614
Net loss attributable to:				
Shareholders	**1,794,987**	2,109,160	**3,579,250**	3,946,792
Non-controlling interests	**82,974**	64,338	**276,152**	131,822
	$1,877,961	$2,173,498	**$ 3,855,402**	$4,078,614
Loss per share [(1)]	**$0.04**	$0.04	**$0.04**	$0.09

(1) Loss per share is calculated using the daily weighted average number of shares outstanding during the year. The effect of share-based interest payments is included in the calculation of the weighted average number of shares as interest expense is recorded. The effect of potentially dilutive securities ("in-the-money" stock options) was excluded as the result would be anti-dilutive.

Quarterly Financial Data – Continuing Operations

	IFRS Q2 2015	IFRS Q1 2015	IFRS Q4 2014	IFRS Q3 2014	IFRS Q2 2014	IFRS Q1 2014	IFRS Q4 2013 (Recasted)	IFRS Q3 2013 (Recasted)
Revenue	**$ 2,448,847**	$ 2,402,564	$ 2,627,262	$2,891,719	$3,021,210	$3,171,904	$3,211,026	$3,389,103
Cost of Sales	**1,609,012**	1,748,229	2,097,434	2,006,970	1,913,061	1,897,510	1,922,371	2,079,371
Gross Margin	**839,835**	654,335	529,828	884,749	1,108,149	1,274,394	1,288,654	1,309,732
Expenses								
Employee compensation and benefits	**1,115,983**	1,020,469	1,259,048	1,572,651	1,194,007	1,327,047	1,784,381	1,707,542
Operations and administration	**1,031,501**	1,169,170	1,270,557	1,457,248	1,457,248	1,385,673	1,454,005	1,517,261
Sundry loss(gain)	**(84,473)**	(78,164)	1,530,727	101,473	101,473	24,559	11,875	11,719
Interest expense	**269,092**	221,839	(2,961)	134,417	77,731	34,682	33,590	34,040
Depreciation and amortization	**508,450**	394,744	606,840	419,006	404,317	409,849	460,114	476,864
Loss before the undernoted	**2,000,718**	2,073,723	4,134,383	3,346,257	2,126,627	1,907,416	2,455,311	2,437,694
Other expense (income)	**(122,757)**	(96,282)	286,280	(197,925)	46,871	(2,299)	1,106,553	(55,029)
Net Loss from continuing operations before tax	**1,877,961**	1,977,441	4,420,663	2,263,583	2,173,498	1,905,117	3,561,864	2,382,665
Net loss	**$1,877,961**	$1,977,441	$4,420,663	$2,263,583	$2,173,498	$1,905,117	$3,561,864	$2,382,665
Net loss attributable to:								
Shareholders	**1,794,987**	1,784,263	4,236,357	2,155,325	2,109,160	1,837,633	3,436,367	2,272,252
Non-controlling interests	**82,974**	193,178	184,306	108,258	64,338	67,484	125,497	110,413
	$1,877,961	$1,977,441	$4,420,663	$2,263,583	$2,173,498	$1,905,117	$3,561,864	$2,382,665
Loss per share[(1)]	**$0.04**	$0.04	$0.08	$0.04	$0.04	$0.04	$0.07	$0.04

(1) Earnings/ loss per share is calculated using the daily weighted average number of shares outstanding during the year. The effect of share-based interest payments is included in the calculation of the weighted average number of shares as interest expense is recorded. The effect of potentially dilutive securities ("in-the-money" stock options) was excluded as the result would be anti-dilutive.

(2) * In the fourth quarter of 2012, as part of the Woosh Transaction, the Company finalized the measurement of the purchase price allocation for the 51% acquisition of Woosh Wireless Holdings Limited. Certain expenses, including depreciation and amortization, previously estimated in the prior quarters of Fiscal 2012, have been recasted to the appropriate quarters to reflect the final valuation of net assets and the purchase price allocation.

(3) As a result of the adoption of IFRS 11 (Joint Arrangements) on September 30, 2013, the Company has recasted, for comparative purposes, the above previous periods.

Impact of Woosh Business Acquisition:

On November 30, 2011, the Company completed the acquisition of the assets of Railway through and by Woosh Wireless (NZ) Limited which is a wholly owned subsidiary of Woosh Wireless Holdings Limited, a corporation beneficially owned at the time as to 51% by Craig Wireless South Inc. and 49% by Walker Wireless Holdings Limited. On December 1, 2011, operations of Woosh Wireless (NZ) Limited commenced with the Company recognizing 100% of the revenues and operating expenses effective with this date. On September 24, 2012, the Company acquired additional equity from treasury of Woosh Wireless Holdings Limited, the parent company of Woosh Wireless (NZ) Limited, increasing the Company's percentage ownership of ordinary voting shares in Woosh Wireless Holdings Limited from 51% to 75%.

The following tables provide a comparison of consolidated operating results (Craig Wireless Group) for the three months ended February 28, 2015, and February 28, 2014, segregating the Woosh Wireless operating results (includes Woosh Wireless Holdings Limited, Woosh Wireless (NZ) Limited, and Woosh Limited) from the Craig Wireless operations (includes Craig Wireless Systems Ltd and all remaining subsidiaries) for a more meaningful comparison of results.

For the three months ended February 28, 2015	**Craig Wireless 2015**	**Woosh Wireless 2015**	**Craig Wireless Group 2015**
Revenue	$135,437	$2,313,410	**$ 2,448,847**
Cost of sales	14,575	1,594,437	**1,609,012**
Gross margin	120,862	718,973	**839,835**
Expenses	1,531,541	885,035	**2,416,576**
Depreciation and amortization	378,591	129,859	**508,450**
Loss before the undernoted	1,789,270	295,921	**2,085,191**
Other expense (income)	(598,740)	391,510	**(207,230)**
Net loss	$1,190,530	$687,431	**$ 1,877,961**

For the three months ended February 28, 2014	Craig Wireless 2014	Woosh Wireless 2014	Craig Wireless Group 2014
Revenue	$ 103,007	$ 2,918,203	$ 3,021,210
Cost of sales	31,962	1,881,099	1,913,061
Gross margin	71,045	1,037,104	1,108,149
Expenses	1,614,487	1,215,972	2,830,459
Depreciation and amortization	271,854	132,463	404,317
Loss before the undernoted	1,815,296	311,331	2,126,627
Other expense (income)	110,852	(53,981)	46,871
Net loss	$ 1,916,148	$ 257,350	$ 2,173,498

Results for three months ended February 28, 2015 and February 28, 2014

Revenue

Revenue includes recurring internet services, activation and installation charges, equipment sales and equipment rental totaling $2,448,847 for the three months ended February 28, 2015 compared to $3,021,210 for the three months ended February 28, 2014. Of these consolidated totals, $2,313,410 and $2,918,203 were attributable to Woosh Wireless (NZ) Limited revenues for the second quarter ended February 28, 2015 and February 28, 2014 respectively. The decline in revenues is largely attributable to a net decline in customers year over year.

Gross Margin

Gross margin was $839,835 for the three months ended February 28, 2015 or 34% of revenue compared to gross margin of $1,108,149 or 37% for the comparable period last year.

Operating Expenses

Employee compensation and benefits

Employee compensation and benefits expense for the second quarter ended February 28, 2015 was $1,115,983 a net decrease of $78,024 compared to the same period last year. The decrease during the quarter is due to cost containment measures associated with fewer staff and salary costs.

Operations and administration

Operations and administration expenses for the second quarter ended February 28, 2015 were $1,031,501 down from $1,558,721 for the quarter ended February 28, 2014. The decrease of $527,220 was largely attributable to Woosh Wireless (NZ) Limited as a result of a cost containment measures.

Depreciation and amortization

Included in this category is the depreciation and amortization of tangible and intangible assets. Tangible assets include property and equipment, including network equipment, office equipment, leasehold improvements and vehicles. Intangible assets are comprised of spectrum license costs and software. Depreciation and amortization of tangible and intangible assets was $508,450 for the second quarter ended February 28, 2015 compared to $404,317 for the same quarter of the previous year.

Other Income and Expenses

Other income in the second quarter ended February 28, 2015 was $207,230 compared to other expenses of $46,871 in the second quarter last year. Favorable exchange rate movements have helped to turn this item into income in the second quarter of the 2015 year.

Net Loss

The net loss for the second quarter ended February 28, 2015 was $1,877,961 compared to $2,173,498 for the same quarter of Fiscal 2014.

For the six months ended February 28, 2015	**Craig Wireless 2015**	**Woosh Wireless 2015**	**Craig Wireless Group 2015**
Revenue	243,862	$4,607,549	**$4,851,411**
Cost of sales	35,127	3,322,114	**3,357,241**
Gross margin	208,735	1,285,435	**1,494,170**
Expenses	2,910,279	1,917,775	**4,828,054**
Depreciation and amortization	648,508	254,686	**903,194**
Loss before the undernoted	3,350,052	887,026	**4,237,078**
Other expense (income)	(318,170)	(63,506)	**(381,676**
Net loss	$3,031,882	$823,520	**$3,855,402**

For the six months ended February 28, 2014		Craig Wireless 2014		Woosh Wireless 2014		Craig Wireless Group 2014
Revenue	$	191,182	$	6,001,932	$	6,193,114
Cost of sales		54,337		3,756,234		3,810,571
Gross margin		136,845		2,245,698		2,382,543
Expenses		2,989,782		2,588,078		5,577,860
Depreciation and amortization		554,781		259,385		814,166
Loss before the undernoted		3,407,718		601,765		4,009,483
Other expense (income)		143,609		(74,478)		69,131
Net loss	$	3,551,327	$	527,287	$	4,078,614

Results for six months ended February 28, 2015 and February 28, 2014

<u>Revenue</u>

Revenue includes recurring internet services, activation and installation charges, equipment sales and equipment rental totaling $4,851,411 for the six months ended February 28, 2015 compared to $6,193,114 for the six months ended February 28, 2014. Of these consolidated totals, $4,607,549 and $6,001,932 were attributable to Woosh Wireless (NZ) Limited revenues for the six months ended February 28, 2015 and February 28, 2014 respectively. The decline in revenues is largely attributable to a net decline in customers year over year.

<u>Gross Margin</u>

Gross margin was $1,494,170 for the six months ended February 28, 2015 or 31% of revenue compared to gross margin of $2,382,543 or 38% for the comparable period last year.

<u>Operating Expenses</u>

Employee compensation and benefits

Employee compensation and benefits expense for the six months ended February 28, 2015 was $2,136,452 a net decrease of $384,602 compared to the same period last year. The decrease during the quarter is due to cost containment measures associated with fewer staff and salary costs.

Operations and administration

Operations and administration expenses for the six months ended February 28, 2015 were $2,200,671 down from $2,944,393 for the same period last year. The decrease of $743,722 was largely attributable to Woosh Wireless (NZ) Limited as a result of a cost containment measures.

Depreciation and amortization

Included in this category is the depreciation and amortization of tangible and intangible assets. Tangible assets include property and equipment, including network equipment, office equipment, leasehold improvements and vehicles. Intangible assets are comprised of spectrum license costs and software. Depreciation and amortization of tangible and intangible assets was $903,194 for the six months ended February 28, 2015 compared to $814,166 for the same period last year.

<u>Other Income and Expenses</u>

Other income in the six months ended February 28, 2015 was $381,676 compared to other expenses of $69,131 for the same period last year. Favorable exchange rate movements have helped to turn this item into income in the second quarter of the 2015 year.

Net Loss

The net loss for the six months ended February 28, 2015 was $3,855,402 compared to $4,078,614 for the same period of Fiscal 2014.

SEGMENTED RESULTS

The Company's business is to acquire and own 4G compatible spectrum assets that are capable of supporting a 4G network to facilitate its development or asset holding strategies. Assets and operations are entirely for the provision of Internet services and, consequently, the Company has only one reportable operating segment.

The Company operates in different geographic locations. Revenues and non-current assets in Canadian dollars for each of the geographic locations are as follows:

3 months ended February 28,2015

	February 28, 2015	February 28, 2014
Revenue		
New Zealand	$ 2,313,410	$ 2,918,203
United States	135,437	101,075
Greece	-	1,932
	$ 2,448,847	$ 3,021,210

6 months ended February 28,2015

	February 28, 2015	**February 28, 2014**
Revenue		
New Zealand	$ 4,607,549	$ 6,001,932
United States	243,862	181,676
Greece	-	9,506
	$ 4,851,411	$ 6,193,114

	February 28, 2015	February 28, 2014
Non-current assets [2]		
New Zealand	$ 8,958,726	$ 8,965,211
United States	840,132	1,278,465
Greece	-	527,211
Other	905,108	1,449,918
	$ 10,703,966	$ 12,220,805

[2] Non-current assets include property and equipment and intangible asset

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Summary

The cash flow for the three months ended February 28, 2015 and February 28, 2014 is set out below:

	Three months ended February 28, 2015	Three months ended February 28, 2014
Cash provided by (used in) operating activities	$ (**1,844,099**	$ (1,142,085)
Cash provided by (used in) financing activities	**1,437,845**	1,523,533
Cash provided by (used in) investing activities	**(192,208)**	5,045
Foreign exchange gain (loss) on cash held in foreign currency	**6,208**	2,533
Net increase (decrease) in cash and cash equivalents	**(592,253)**	$ 389,026

The cash flow for the six months ended February 28, 2015 and February 28, 2014 is set out below:

	Six months ended February 28, 2015	Six months ended February 28, 2014
Cash provided by (used in) operating activities	$ (**3,445,567**)	$ (2,679,442)
Cash provided by (used in) financing activities	**3,674,645**	1,445,826
Cash provided by (used in) investing activities	**(327,191)**	(96,724)
Foreign exchange gain (loss) on cash held in foreign currency	**(4,790)**	(16,197)
Net increase (decrease) in cash and cash equivalents	**(102,903)**	$ (1,346,537)

Cash flow for the three months ended February 28, 2015 and February 28, 2014

Cash used in operating activities for the three months ended February 28, 2015 was $1,844,099 compared to cash used in operating activities of $1,142,085 for the same quarter of last year. Cash received from customers was $2,550,163 in the second quarter of Fiscal 2015 compared to $2,876,705 in the same quarter of last year. Cash payments to suppliers were $3,261,549 in the second quarter of Fiscal 2015, a increase of $492,691 from the same period of last year. Cash paid to employees was $1,148,197 in the second quarter of Fiscal 2015, down from $1,251,518 in the same quarter of last year.

Cash received from financing activities for the quarter ended February 28, 2015 was $1,437,845 compared to cash received of $1,523,533 for the same quarter last year.

Cash used from investing activities for the quarter was $192,208 compared to cash received of $5,045 for the same quarter of Fiscal 2014.

Cash flow for the six months ended February 28, 2015 and February 28, 2014

Cash used in operating activities for the six months ended February 28, 2015 was $3,445,567 compared to cash used in operating activities of $2,679,442 for the same period of last year. Cash received from customers was $4,835,404 in the six months of Fiscal 2015 compared to $5,876,848 in the same period of last year. Cash payments to suppliers were $6,113,637 in the six months of Fiscal 2015, an increase of $51,520 from the same period of last year. Cash paid to employees was $2,183,992 in the six months of Fiscal 2015, down from $2,497,903 in the same period of last year.

Cash received from financing activities for the six months ended February 28, 2015 was $3,674,645 compared to cash received of $1,445,826 for the same period last year.

Cash used from investing activities for the six months ended February 28,2015 was $327,191 compared to cash used of $96,724 for the same period of Fiscal 2014.

Capital Resources and Sources of Revenue

Our primary source of revenue had been derived from the provision of broadband Internet access services and wireless digital television distribution, using fixed wireless technology operating in the 2.5 GHz and 2.6 GHz frequency bands in Manitoba and British Columbia. On March 26, 2010, CW Manitoba and CW BC entered into the Canadian Asset Sale Agreement and completed the transaction for gross proceeds of $80.0 million during the third and fourth quarter of Fiscal 2010 (see “Overview – Our Company – Products and Services and Ongoing Operations – Canada”). As a result of the sale of assets pursuant to the Canadian Asset Sale Agreement, the Company substantially completed the wind up of operations in Canada during the first quarter of Fiscal 2011. During Fiscal 2011 the Company began generating revenue from its operations in the Coachella Valley, and during Fiscal 2012, began generating revenue from its operations in Greece. Effective December 1, 2011, the Company has recorded revenues associated with the operations of Woosh Wireless (NZ) Limited in New Zealand.

Liquidity and Capital Resources as at February 28, 2015

The Company has entered into commercial leases in respect of tower sites, network equipment and office space. These leases have an average life of between 2 and 7 years with some having the option to renew included in the contracts. There are some restrictions placed upon the lessee by entering into these leases based on certain regulatory compliances.

The Company leases spectrum licenses in the Coachella Valley from California State University, San Bernardino (CSUSB) and Caritas Telecommunications. On September 13, 2011, CW PS entered into an early extension agreement with California State University – San Bernardino which was approved by the Federal Communication Commission (the “FCC”) on November 19, 2011, that replaces the previous 15-year lease for the use of the subject spectrum rights with a new 30-year lease that expires in 2041. The lease has an escalating clause for lease payments over the term of the lease. The spectrum lease agreement between the Company and Caritas Telecommunications ends on March, 2016 with an escalating clause for lease payments over the term of the lease. The Company has the option to renew the lease such that Caritas, with notice, must enter into a 6 month exclusive renewal negotiation with the Company. Both spectrum licenses require periodic regulatory compliance reviews.

Future minimum rentals payable under non-cancellable operating leases as at February 28, 2015 is as follows:

	February 28, 2015
Within one year	$3,096,455
After one year but not more than five years	2,625,749
After more than five years	2,131,444
Total minimum lease payments	$7,853,648

The working capital as at February 28, 2015 and February 28, 2014 is set out below:

	February 28, 2015	February 28, 2014
Current assets	**$440,527**	$2,099,674
Less: Current liabilities	**(7,330,455)**	(3,911,614)
Working capital	**($6,889,928)**	($1,811,943)

The Company had a negative working capital balance at February 28, 2015 of $6,889,928 compared to a negative working capital balance of $1,811,943 reported in the comparative period of February 28, 2014.

During the current quarter, working capital was utilized primarily for operating and employee expenses totaling $2,147,484. The addition of a derivative liability of $2,413,704 in relation to convertible debentures taken out during the year has further increase the negative working capital amount reported.

TRANSACTIONS WITH RELATED PARTIES

Effective April 2, 2012, the Company entered into a contract for US $1,000 per month to provide personal administrative services for a certain director. During the quarter, the Company billed US $3,000 for these services ($3,000USD –2014) and collected for these services. The fees for these services were reflected as a recovery of costs and reduced the operations and administration expense in the consolidated statement of operations.

As at February 28, 2015, the director owed the Company $8,160 related to these services and other expenses paid by the Company on behalf of the director.

Effective January 29, 2014, the Company entered into a contract for the sale of WIMAX network equipment to a certain director. The sale was for consideration of $221,389 in the form of a promissory note between the director and the Company and carries an interest rate of 8% payable after six months on any amount outstanding. The promissory note has a term of 3 years and also carries a right to offset any interest owed by the director against amounts owed to the director.

The transactions were conducted in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

On February 27, 2015, the Company entered into a commitment letter with a certain director T. Boyd Craig, (the **"Investor"**) providing for a secured loan of up to US $2.0 million (the **"Loan"**). Under the terms of the Loan, the investor is to be issued a convertible promissory grid note, on which interest will accrue on the principal from time to time at 12% per annum. The principal and accrued and unpaid interest on the Convertible Note is due on December 31, 2015. At the Investor's option, the term may be extended for an additional 12 month period.

The outstanding principal amount of the Convertible Note is convertible at any time, in whole or in part, until maturity, in to subordinate voting shares of the Company. The conversion price per subordinate voting share is CDN$0.05 for up to one year following closing and is CDN$0.10 per subordinate voting share after such date in the event the Investor elects to extend the Term. The Investor has agreed to only exercise his conversion right so long as the Company would continue to meet all TSX Venture Exchange listing requirements following the resulting issuance of subordinate voting shares.

The Loan is subject to certain conditions, including approval by the TSXV which at April 28, 2015, was yet to be received.

During the quarter ended February 28, 2015, T. Boyd Craig advanced to the Company in aggregate a principal amount of $1,390,656, the amount will be classed as an interest free on demand loan until such time as the approval is received from the TSXV for the Commitment Letter terms.

Convertible debentures

On April 29, 2014, subject to certain conditions including TSX-V approval, the Company agreed to a commitment to complete a further financing to replace the existing US$2,000,000 Loan. The Lender agreed to advance the further sum of US$1,500,000 (the "Additional Sum") upon the issuance of a convertible promissory note (the "Convertible Note") in replacement of the Loan and in respect of the Additional Sum. Accordingly, the Convertible Note provided for a loan for the principal sum US$3,500,000. Pursuant to the terms of the commitment, the Loan and the 3,700,000 Warrants issued by the Company to the related party in connection with the Loan were cancelled upon issuance of the Convertible Note. Interest accrued on the outstanding principal amount of the Convertible Note at 12% per annum, calculated daily and payable semi-annually in advance. The principal and accrued and unpaid interest on the Convertible Note was due two years from the date of issue, subject to the right of the Company to prepay in minimum increments on 30 days' notice during the term of the facility. The outstanding principal amount of the Convertible Note was convertible at any time, in whole or in part, until maturity, into subordinate voting shares of the Company. The conversion price in respect of the first year of the term was $0.08, and the conversion price in respect of the second year of the term was $0.10.

The Convertible Note is secured by a general security agreement and pledges of subsidiaries that ranks pari passu to all other indebtedness.

Approval by the TSX-V was received on June 6, 2014 and the facility was fully drawn prior to August 31, 2014.

The transaction was treated as an extinguishment of the Loan and Warrants. Accordingly, the Loan and Warrants were derecognized and a loss on the transaction of $36,371 was recorded.

The Convertible Note represented a complex financial instrument with host debt component ("Host Debt") and an embedded derivative ("Derivative") represented by the conversion feature. As there was a difference in currency with respect to the principal amount of the Convertible Note and the currency of the Derivative the fixed-for-fixed criteria for equity classification of the conversion feature was not met. Accordingly, the conversion feature was determined to be a derivative liability.

The fair value of the Host Debt and Derivative were measured using level 2 inputs in fair value hierarchy and were classified as "Other Financial Liabilities" and "Fair Value through Profit or Loss" respectively.

The fair value of the Derivative was determined using a binomial option pricing model with the following inputs:

Risk Free Rate	1-1.05%
Volatility Rate	200-240%
Warrant Life	0.85-2 years
Share Price	$0.045
Grant Price 1	$0.08
Grant Price 2	$0.10
Probability of exercise at prices	50%
Fair Value	$1,448,991

The fair value of the Host Debt was determined to be $2,363,398.

Transaction costs of $45,116 were included as a reduction to the carrying value of the Host Debt and are amortized using the effective interest method. Transaction costs of $20,045 relating to the Derivative were expensed immediately.

The fair value of the Derivative at August 31, 2014 was determined using a binomial option pricing model with the following inputs:

Risk Free Rate	1-1.05%
Volatility Rate	215-225%
Warrant Life	0.76-1.76 years
Share Price	$0.04
Grant Price 1	$0.08
Grant Price 2	$0.10
Probability of exercise at prices	50%
Fair Value	$1,170,682

The change in the fair value of the Derivative was included in the net loss for the period.

On September 9, 2014, the Company announced the additional financing, previously announced on August 8, 2014. Pursuant to a commitment letter dated August 8, 2014 each of J. Drew Craig and S. Miles Craig have provided a secured loan in the aggregate amount of US$2,000,000 to the Company. Each of the investors have been issued a US$1,000,000 principal amount convertible promissory note (collectively, the "Convertible Promissory Notes"). The new US$2,000,000 loan has been combined with the existing US$3,500,000 loan from T. Boyd Craig advanced on June 6,2014 into a single loan in the principal amount of US$5,500,000 and in furtherance thereof, the outstanding Convertible Note held by T. Boyd Craig has been amended and restated upon the same terms as the Convertible Promissory Notes.

Closing of the US$2,000,000 financing and the issuance of the Convertible Promissory Notes was subject to approval by the TSX-V and a four-month hold period both of which had been satisfied by January 5, 2015.

The Convertible Promissory Notes mature on December 31, 2015 and bear interest on the outstanding principal amount at 12% per annum, calculated daily and payable semi-annually in advance on December 31 and June 30 with a stub period interest amount payable representing the interest payable from the date of issue to December 31, 2014 due on the date of issue, September 9, 2014. The outstanding principal amount of the Convertible Promissory Notes is convertible at any time, in whole or in part, until maturity, into subordinate voting shares of the Company. The conversion price to June 6, 2015 is $0.08, and the conversion price in respect of the remainder of the term to maturity is $0.10.

The Convertible Promissory Notes are secured by a general security agreement, guarantees and pledges of securities of and by subsidiaries that ranks pari passu to all other indebtedness.

The transaction was treated as a modification of the previously issued Convertible Note held by T. Boyd Craig. Accordingly, no gain or loss was recognized on the transaction. Transaction costs $31,818 adjusted the carrying value of the liability and will be amortized over the remaining term of the modified liability.

The new Convertible Promissory Notes represented a complex financial instrument with host debt component ("Host Debt") and an embedded derivative ("Derivative") represented by the conversion feature. As there was a difference in currency with respect to the principal amount of the Convertible Promissory Note and the currency of the Derivative the fixed-for-fixed criteria for equity classification of the conversion feature was not met. Accordingly, the conversion feature was determined to be a derivative liability.

The fair value of the Host Debt and Derivative were measured using level 2 inputs in fair value hierarchy and were classified as "Other Financial Liabilities" and "Fair Value through Profit or Loss" respectively.

The fair value of the Derivative was determined using a binomial option pricing model with the following inputs:

Risk Free Rate	1-1.03%
Volatility Rate	215-225%
Conversion Life	0.74-1.31 years
Share Price	$0.04
Grant Price 1	$0.08
Grant Price 2	$0.10
Probability of exercise at prices	50%
Fair Value	$602,081

The fair value of the Host Debt was determined to be $1,597,270 less transaction costs.

Transaction costs of $10,162 are included as a reduction to the carrying value of the Host Debt and are amortized using the effective interest method. Transaction costs of $3,049 relating to the Derivative were expensed during the quarter.

The fair value of the Derivative at February 28, 2015 was determined using a binomial option pricing model with the following inputs:

Risk Free Rate	1%
Volatility Rate	150-234%
Conversion life	0.27-0.84 years
Share Price	$0.05
Grant Price 1	$0.08
Grant Price 2	$0.10
Probability of exercise at prices	50%
Fair Value	$2,413,704

The change in the fair value of the Derivative was included in the net loss for the period.

Subsequent Event

Subsequent to the quarter ended February 28, 2015, T. Boyd Craig advanced to the Company a demand loan in the aggregate principal amount of US $609,000. The Company is currently awaiting TSXV approval on the terms of this loan amount which are listed below.

On February 27, 2015, the Company entered into a commitment letter with a certain director T. Boyd Craig, (the "Investor") providing for a secured loan of up to US $2.0 million (the **"Loan"**). Under the terms of the Loan, the investor is to be issued a convertible promissory grid note, on which interest will accrue on the principal from time to time at 12% per annum. The principal and accrued and unpaid interest on the Convertible Note is due on December 31, 2015. At the Investor's option, the term may be extended for an additional 12 month period.

The outstanding principal amount of the Convertible Note is convertible at any time, in whole or in part, until maturity, in to subordinate voting shares of the Company. The conversion price per subordinate voting share is CDN$0.05 for up to one year following closing and is CDN$0.10 per subordinate voting share after such date in the event the Investor elects to extend the Term. The Investor has agreed to only exercise his conversion right so long as the Company would continue to meet all TSX Venture Exchange listing requirements following the resulting issuance of subordinate voting shares.

The Loan is subject to certain conditions, including approval by the TSXV which at April 28, 2015, was yet to be received.

On April 22, 2015, the Company announced the resignation of Michael F. Dubois and David Coriat as Directors effective from that date. The Company will commence efforts to fill the vacancies on the Board as a result of the resignations. As a result of these resignations, trading in the Company's shares has been halted, the Company has until May 7, 2015 to fill the vacancies.

CONTINGENCIES

On July 30, 2009, Lannet Communications SA filed a claim with the Arbitration Tribunal of Athens against the Company in the amount of 254,764,444 Euros ("€"). The Company served its response to the arbitration notice on August 28, 2009 in which it refuted all allegations. On September 10, 2009, the Athens Multi Member First Instance Court published Judgment No. 838/2009 declaring Lannet Communications bankrupt and appointing a bankruptcy receiver and setting December 10, 2009 at the creditors' meeting. There is no certainty over the outcome of the arbitration claim, however, the Company is confident in its position that no payment will be required and no expense was recorded by the Company.

SIGNIFICANT ACCOUNTING PRINCIPLES

This MD&A is made with reference to the Company's unaudited condensed interim consolidated financial statements and notes thereto for the three months ended February 28, 2015 which have been prepared using IFRS.

The Company has identified the accounting policies and estimates that are critical to the understanding of the business operations and results in Note 1, 2 and 3 to the August 31, 2014 consolidated financial statements, available on SEDAR at www.sedar.com.

Disclosure controls and procedures

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is accumulated, recorded, processed and reported to management on a timely basis so that appropriate decisions can be made regarding public disclosure. Management has conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures and concludes that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company is appropriately communicated to the public in a timely manner.

As of December 15, 2008 National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim filings ("NI 52-109"), accompanied by Companion Policy 52-109CP (the "Companion Policy") came into effect. NI 52-109 applies in respect of annual filings and interim filings for financial periods ending on or after December 15, 2008. According to securities regulators, the new certification rule is intended to increase management's focus on, and accountability for, the quality, reliability and transparency of financial reporting. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian Securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and include controls and procedures designed to ensure such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Internal control over financial reporting

Management of the Company is responsible for the establishment, maintenance and testing of adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). During the year ended August 31, 2014 the Company identified certain material weaknesses in internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company's management considers the remediation of the material weaknesses described below to be a priority. As of the date of this report, management believes that its efforts, when completed, will mitigate, but not eliminate the material weaknesses in internal control over financial reporting.

The Company's management and the Board of Directors do not expect that its disclosure controls and procedures or internal controls over financial reporting will prevent all errors or all instances of fraud. A control system, no matter how well designed and operated, can provide only reasonable – not absolute – assurance that the control system's objectives will be met. Further, the design, maintenance and testing of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control weaknesses and instances of fraud have been detected. These inherent limitations mean that judgments resulting from decision making may be flawed, and that errors or mistakes may occur. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design, maintenance and testing of any system of controls is based in part upon certain assumptions about the likelihood of future events, and any control system may not succeed in achieving its stated goals under all circumstances.

The Company's management determined that in certain instances an effective control environment had not been maintained and some entity-level controls included in the information, communication and monitoring components of internal controls were not designed or operating effectively. The Company's management has also begun remediation steps to mitigate the risks associated with the identified material weaknesses.

Finance Segregation of Duties

Material Weakness: Key finance accountabilities are not effectively segregated due to the resource constraints, size and structure of the Company; maintenance of chart of accounts is not always performed independently of recording transactional data; cheque preparation and mailing are not segregated; and recording sales orders and cash receipts are not segregated.

Impact: The lack of segregation of duties may result in accounting errors, concealment of errors or misappropriation of Company assets, however the impact is mitigated by existing monthly and quarterly review procedures designed to detect material misstatements.

Management Remediation: Management recognizes this inherent weakness which is common in companies of this size. Management also acknowledges the potential impact and in addition to existing monthly and quarterly review procedures. Management has made some changes to assigned duties and compensating controls to mitigate this weakness and will continue to review and monitor the segregation of duties to ensure risks are minimized.

SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Management continually evaluates its estimates, assumptions and judgements in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Significant accounting estimates and assumptions

Business combinations

The net assets acquired and liabilities assumed through business combinations initially require significant estimates and assumptions of the fair value of the assets and liabilities. These estimates and assumptions are assessed over the twelve months and adjustments to the fair values are made as more information becomes available.

Valuation of accounts receivable

The Company estimates that a certain portion of receivables from customers may not be collected, and maintains an allowance for doubtful accounts. If circumstances related to certain customers change or actual results differ from expectations, the Company's estimate of the recoverability of receivables could fluctuate from that provided for in the consolidated financial statements. A change in estimate could impact bad debt expense operations and administration expense and accounts receivable.

Useful lives of property and equipment and intangible assets

Property and equipment are amortized on a straight-line basis over their estimated useful lives. Intangible assets with a definite useful life are amortized on a straight-line basis over their estimated period of future benefit. The Company reviews these estimates on an annual basis, or more frequently if events during the year indicate that a change may be required, with consideration given to technological obsolescence and other relevant business factors. A change in managements' estimate could impact depreciation and amortization expense and the carrying value of property and equipment and intangible assets.

Impairment of non-financial assets

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset or assets that may lead to impairment. These include changes in technology, economic, regulatory and political environments, future business threats and restructuring transactions. If impairment conditions exist, the recoverable amount of the asset is estimated, the asset's carrying value is reduced to this amount and the reduction is recorded as an impairment expense.

Fair value and recognition of financial instruments

Where a valuation model is used to determine the fair value of financial assets, financial liabilities or equity instruments, it makes maximum use of observable inputs. Where observable inputs are not available a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk, volatility and likelihood of exercise at grant dates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation techniques used by the Company are described in further detail in the notes to the financial statements.

Significant accounting judgements

Cash generating units

For purposes of the assets impairment testing, the Company identifies cash generating units as the smallest identifiable groups of assets that generate independent cash inflows. Impairment testing is performed on these groups of assets on an annual basis or when events or circumstances indicate that the cash generating unit may become impaired taking into account the assessed and projected recoverable values of the cash generating unit.

Classification of CSNO and CSNZ as a joint venture

Management has reviewed the contractual arrangement, legal structure and other relevant facts and have determined that the Company has rights to the net assets of these entities. Accordingly, these entities have been classified as joint ventures and are accounted for using the equity method.

Functional currency

The Company determines the functional currency for each entity and for jointly controlled entities. This requires the assessment of the primary economic environment in which each of these entities operates. The determination of functional currency affects how the Company translates foreign currency balances and transactions. In determining the functional currency in each entity, the Company considered the currency that primarily influences or determines the selling prices of goods and services and the cost of production, including labour, material and other costs and the currency whose competitive forces and regulations mainly determine selling prices.

Share-based payments

The Company measures the cost of share-based payments to employees and contractors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumption and model used for estimating fair value of share-based payment transactions are disclosed in Note 7.

Intangible assets

The Company's view is that certain spectrum licenses will likely be renewed in the foreseeable future and therefore, have been designated an indefinite life and are not subject to amortization.

Cost of spectrum rights

The Company considers its costs related to the maintenance and amortization of spectrum rights to be operations and administration expenses rather than cost of sales.

CHANGES IN ACCOUNTING POLICIES

Off - Balance Sheet Arrangements

As of February 28, 2015, the Company had no obligations that are required to be disclosed as off-balance sheet arrangements.

Application of new and revised International Financial Reporting Standards (IFRSs)

In the current period, the Company has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB).

The Company adopted IAS 1 Presentation of Financial Statements, IAS 16 Property, Plant and Equipment, IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities and IFRS 13 Fair Value Measurement and these standards did not have a significant impact on the Company's presentation or financial results.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Venture. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance in the first-time application of the standards. In the current period, the Company has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 29 together with the amendments of IFRS 10, IFRS 11 and IFRS 12. IAS 27 is not applicable to the Company as it deals only with separate financial statements. The impact of these standards is set out below.

The IASB has issued several new standards and amendments that will be effective on various dates. The listing below is of standards,interpretations and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The impact on the Company is currently being assessed.

IFRS 9, Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and financial liabilities. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 also introduced additional changes related to financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 13, Fair Value Measurement

IFRS 13, Fair Value Measurement, issued by the IASB in May 2011, replaces the fair value measurement guidance currently dispersed across different IFRS standards with a single definition of fair value and a comprehensive framework for measuring fair value when such measurement is required under other IFRSs. The standard would also establish disclosure requirements about fair value measurements. IFRS 13 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company does not expect this standard to have a material impact on its consolidated financial statements.

Revenue – IFRS 15

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, a new standard that specifies the steps and timing for entities to recognize revenue as well as requiring them to provide more informative, relevant disclosures.

IFRS 15 supersedes IAS 11, Customer Contracts, and IAS 18, Revenue as well as various IFRIC and SIC interpretations regarding revenue. Adoption of IFRS 15 is mandatory and will be effective for the Company beginning on September 1, 2017, with earlier adoption permitted. The Company is assessing the impact of adopting this standard on its financial statements.

IFRIC 21 Levies

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applies in interim financial statements.

New policies adopted

IFRS 10, Consolidated Financial Statements

As a result of adopting IFRS 10, the Company has changed its accounting policies with respect to determining whether it has control over and consequently consolidates its investees. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company has concluded that the standard does not change its previous conclusion.

IFRS 11, Joint Arrangements

As a result of adopting IFRS 11, the Company changed its accounting policies with respect to the classification and accounting of arrangements over which it has joint control with one or more other parties' i.e. joint arrangements. Joint arrangements are now classified as either joint ventures or joint operations based on the Company's contractual rights and obligations. Joint ventures' use the equity method in accordance with amended IAS 28 to account for their interest in the joint venture as proportionate consolidation is no longer permissible. For joint operations, the relevant assets, liabilities, income and expenses are recognized and measured based on applicable IFRSs, in relation to their interest in the arrangement.

Specifically, the Company has a 50% ownership interest in Cayman Spectrum (NO) Co. ("CSNO") and Cayman Spectrum (NZ) Co. ("CSNZ"). The Company reviewed and assessed the classification of the Company's investments in joint arrangements in accordance with the requirements of IFRS 11. The Company concluded that the investments in CSNO and CSNZ, which was classified as a jointly controlled entity under IAS 31 and was accounted for using the proportionate consolidation method, should be classified as a joint venture under IFRS 11 and accounted for using the equity method.

The change in accounting of the Company's investments in CSNO and CSNZ has been applied in accordance with the relevant transitional provisions set out in IFRS 11. Accordingly the standard was adopted retrospectively, comparative amounts have been recasted to reflect the change in accounting. The initial investments for the purpose of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Company had previously proportionately consolidated (see the tables below for details). The Company performed an impairment assessment on the initial investment and concluded that no impairment loss is required.

The impact on the assets, liabilities and equity as at August 31, 2013 as a result of the adoption is shown below:

	As at August 31, 2013 (as previously reported)	August 31, 2013 adjustments	As at August 31, 2013 (recasted)
Cash and cash equivalents	2,776,811	(143,667)	2,633,144
Accounts receivable	364,988	-	364,988
Prepaid expenses and deposits	297,335	-	297,335
Inventories	170,834	-	170,834
Cash – restricted	204,137	-	204,137
Property and equipment, net	8,948,659	-	8,948,659
Intangible assets, net	8,652,182	(5,812,354)	2,839,828
Other assets	943,849	(128,487)	815,362
Investments	0	6,058,796	6,058,796
Accounts payable and accruals	(2,282,107)	25,712	(2,256,395)
Current portion of long-term loans	(221,898)	-	(221,898)
Redeemable preferred shares	(1,576,160)	-	(1,576,160)
Long-term loans	(6,572)	-	(6,572)
Total effect on net assets	18,272,058	-	18,272,058
Shareholders' equity	18,782,793	-	18,782,793
Non-controlling interest	(510,735)	-	(510,735)
Total effect on equity	18,272,058	-	18,272,058

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12, requires disclosures with respect to interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the adoption of IFRS 12 has resulted in additional disclosures in the Company's condensed interim consolidated financial statements. Refer to note 9.

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legal enforceable right to set off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments had no impact on the Company.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognized or reversed during the period. These amendments had no impact on the Company.

OPERATING RISKS AND UNCERTAINTIES

Nature of operations and going concern

These consolidated financial statements have been prepared on the basis of IFRS accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has experienced substantial net losses and decreases in cash resources for the past four fiscal years and does not have sufficient working capital to settle its current obligations. These conditions create material uncertainties that cast significant doubt on the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to going concern.

The Company routinely plans future activities including forecasting future cash flows and cash requirements. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company will have adequate resources to continue as a going concern for the foreseeable future, which has been defined as being at least the next twelve months. In arriving at the judgment, the Company has prepared cash flow projections, which incorporate a cash flow model through the current financial year and considers information in relation to the current economic financing uncertainties and the Company's available financial resources. The expected cash flows have been modeled based on an assumption of new debt or other financing including continued related party support and anticipated revenues and expenditures. Sensitivities have been applied to this model in relation to expense reductions not achieving anticipated levels. Key assumptions used in the future cash flow forecast are as follows:

- The Company will continue to engage in an aggressive cost reduction strategy cutting non-performing assets and related expenditures;
- The Company's commitments will continue to be funded through the normal course of the operating plan;
- The Company will secure additional third party and/or related party debt financing under terms that meet the TSXV's approval;
- The Company will enter into strategic operating alliances in key markets.

The anticipated additional financing in the cash flow model has not been completed at the time of the issue of the condensed interim consolidated financial statements and would materially impact the Company if the funding is not available. There is no assurance that the financing will be successful.

Continued operations of the Company are dependent on its ability to continue to roll-out its 4G network, generate operating revenue from subscribers, receive financing through debt or equity financings, enter into strategic operating alliances and/or dispose of certain assets or operating segments. The Company is currently in negotiations with a strategic operating partner. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. These adjustments, if necessary, may materially change the condensed interim consolidated financial statements.

Other risks and uncertainties

The Company is subject to a number of significant risks. For additional information on such risk factors see the Company's most recently filed AIF under the heading "Risk Factors", which are incorporated by reference herein. The Company's AIF is available on SEDAR at www.sedar.com and on the Company's website at www.craigwireless.com. Readers should carefully consider all such risks.

SHARE CAPITAL AND STOCK OPTION PLANS

As of February 28, 2015 the Company had issued 3,642,883 multiple voting shares and 47,707,924 subordinate voting shares and there were 2,000,000 options outstanding to purchase multiple voting shares and 1,345,000 options to purchase subordinate voting shares granted and outstanding.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF, is available on SEDAR at www.sedar.com.