INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 2017 and 2016

(Expressed in Canadian Dollars)

[Notice: These interim condensed consolidated financial statements have not been audited or reviewed by Novra's independent auditor.]

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NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Canadian dollars)

	NOTES	June 30, 2017	December 31, 2016
ASSETS		**(Unaudited)**	(Audited)
Current Assets			
Cash		**$ 1,820,918**	$ 1,264,594
Restricted non-redeemable GIC's		**200,000**	200,000
Trade and other receivables		**1,244,172**	2,803,960
Inventories		**1,192,117**	2,158,549
Notes receivable		**129,770**	134,270
Prepayments		**505,138**	498,695
Current tax assets		**1,800**	3,835
Derivative financial instrument	4	**99,275**	32,225
Total Current Assets		**5,193,190**	7,096,128
Non-Current Assets			
Equipment		**169,687**	202,531
Intangible assets		**613,648**	770,324
Total Non-Current Assets		**783,335**	972,855
TOTAL ASSETS		**$ 5,976,525**	$ 8,068,983
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables		**$ 182,049**	$ 634,037
Accrued liabilities		**630,227**	752,577
Borrowings	6	**-**	2,129,892
Loan payable - current portion	7	**106,474**	104,123
Customer deposits		**40,050**	118,519
Deferred revenue - current portion		**622,512**	1,193,623
Warranty provision		**114,377**	56,035
Advances from related parties	5	**367,248**	371,110
Promissory notes from related party - current portion	5	**345,170**	531,499
Total Current Liabilities		**2,408,107**	5,891,415
Non-Current Liabilities			
Deferred revenue		**161,052**	108,933
Loan payable	7	**279,188**	273,023
Promissory notes from related party	5	**730,445**	640,569
Convertible note from related party	5	**-**	284,617
Repayable government contribution	8	**184,529**	64,296
Total Non-Current Liabilities		**1,355,214**	1,371,438
TOTAL LIABILITIES		**3,763,321**	7,262,853
Shareholders' Equity			
Share capital	9	**7,349,917**	6,778,066
Contributed surplus		**427,056**	472,654
Accumulated deficit		**(5,563,769)**	(6,444,590)
TOTAL SHAREHOLDERS' EQUITY		**2,213,204**	806,130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 5,976,525**	$ 8,068,983

See Note 15 "Commitments and Contingent Liabilities"

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Canadian dollars, except share data)

		Quarter ended June 30,		Six Months Ended June 30,	
	NOTES	**2017**	2016	**2017**	2016
REVENUE	13	**$ 3,261,073**	$ 500,654	**$ 5,683,563**	$ 816,355
COST OF REVENUE		**1,451,317**	233,849	**2,743,509**	459,687
GROSS PROFIT		**1,809,756**	266,805	**2,940,054**	356,668
OPERATING EXPENSES	11				
General and administrative		**166,619**	232,029	**330,119**	294,408
Sales and marketing		**450,770**	69,311	**781,797**	104,743
Research and development, net		**456,471**	175,116	**914,796**	309,191
Total operating expenses		**1,073,860**	476,456	**2,026,712**	708,342
OPERATING INCOME (LOSS)		**735,896**	(209,651)	**913,342**	(351,674)
Other Income (Expenses)					
Foreign exchange gain (loss)		**(32,394)**	3,690	**(27,107)**	(60,027)
Loss on disposal of equipment		**-**	-	**-**	(11,760)
Finance income		**1,313**	1,288	**2,644**	2,585
Finance costs	12	**(26,234)**	(24,842)	**(74,044)**	(59,934)
Unrealized gain (loss) on options	4	**(38,484)**	52,437	**67,050**	(2,781)
INCOME (LOSS) BEFORE INCOME TAXES		**640,097**	(177,078)	**881,885**	(483,591)
Income tax recovery (expense)		**(1,064)**	-	**(1,064)**	-
NET AND COMPREHENSIVE INCOME (LOSS)		**$ 639,033**	$ (177,078)	**$ 880,821**	$ (483,591)
EARNINGS (LOSS) PER SHARE:	10				
Basic		**$ 0.02**	$ (0.01)	$ 0.03	$ (0.02)
Diluted		**$ 0.02**	$ (0.01)	$ 0.03	$ (0.02)
Weighted average number of shares outstanding - basic		**30,223,874**	23,564,141	**29,654,839**	22,976,067
Weighted average number of shares outstanding - diluted		**30,369,406**	23,564,141	**29,654,839**	22,976,067

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

(Canadian dollars, except share data)

	NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Deficit	Total Shareholders' Equity
At January 1, 2017		**29,077,435**	**$ 6,778,066**	**$ 472,654**	**$ (6,444,590)**	**$ 806,130**
Net income (loss)		**-**	**-**	**-**	**880,821**	**880,821**
Share based compensation	**9**	**-**	**-**	**30,405**	**-**	**30,405**
Warrants exercised	**9**	**1,706,877**	**263,051**	**(58,222)**	**-**	**204,829**
Conversion of Convertible Note	**5 (e)**	**2,500,000**	**308,800**	**(17,781)**	**-**	**291,019**
At June 30, 2017		**33,284,312**	**$ 7,349,917**	**$ 427,056**	**$ (5,563,769)**	**$ 2,213,204**

	NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Deficit	Total Shareholders' Equity
At January 1, 2016		**22,387,993**	**$ 6,056,729**	**$ -**	**$ (5,648,920)**	**$ 407,809**
Net income (loss)		-	-	-	(483,591)	(483,591)
Issuance of warrants	**9**	-	-	454,873	-	454,873
Issuance of common shares, net	**9**	6,689,342	713,826	-	-	713,826
At June 30, 2016		**29,077,335**	**$ 6,770,555**	**$ 454,873**	**$ (6,132,511)**	**$ 1,092,917**

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Canadian dollars)

		Quarter Ended June 30,		Six Months Ended June 30,	
	NOTES	**2017**	2016	**2017**	2016
OPERATING ACTIVITIES					
Net income (loss)		**$ 639,033**	$ (177,078)	**$ 880,821**	$ (483,591)
Add items not requiring an outlay of cash:					
Amortization of equipment and intangible assets		**94,925**	3,362	**190,572**	4,223
Loss on disposal of equipment		**-**	-	**-**	11,760
Inventory impairment charge (recovery)		**(9,748)**	3,596	**11,917**	13,355
Unrealized loss (gain) on options	**4**	**38,484**	(52,438)	**(67,050)**	2,781
Share based compensation	**9**	**30,405**	-	**30,405**	-
Finance costs	**12**	**26,234**	24,841	**74,044**	59,934
Changes in non-cash working capital items	**14**	**(794,899)**	52,732	**1,397,177**	323,295
Finance costs paid		**(16,154)**	(15,788)	**(65,093)**	(39,985)
Net cash provided by (applied to) operating activities		**8,280**	(160,772)	**2,452,793**	(108,227)
INVESTING ACTIVITIES					
Purchase of IDC, net of assumed cash		**-**	(50,893)	**-**	(50,893)
Purchase of equipment		**(1,052)**	-	**(1,052)**	-
Net cash provided by (applied to) investing activities		**(1,052)**	(50,893)	**(1,052)**	(50,893)
FINANCING ACTIVITIES					
Repayments on borrowings	**6**	**-**	(270,000)	**(2,189,672)**	(405,000)
Proceeds from borrowings	**6**	**-**	170,000	**80,000**	245,000
Proceeds from promissory notes	**5 (d)**	**-**	500,000	**-**	1,062,888
Repayments on promissory notes	**5 (d)**	**(18,535)**	(18,391)	**(76,210)**	(45,035)
Exercise of warrants	**9**	**203,618**		**204,828**	-
Proceeds from repayable government contribution	**8**	**120,233**	-	**120,233**	37,382
Foreign exchange loss on financing activities		**(10,781)**	(1,964)	**(34,596)**	(44,320)
Net cash provided by (applied to) financing activities		**294,535**	379,645	**(1,895,417)**	850,915
Net increase in cash		**301,763**	167,980	**556,324**	691,795
Cash, beginning of period		**1,519,155**	1,100,947	**1,264,594**	577,132
CASH, end of period		**$ 1,820,918**	$ 1,268,927	**$ 1,820,918**	$ 1,268,927

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

1. General Information

Novra Technologies Inc. ("Novra") is incorporated under the Canada Business Corporations Act and its corporate office and principal place of business is 900-330 St. Mary Avenue, Winnipeg, Manitoba, Canada R3C 3Z5. Novra is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol NVI.

Novra has been in the satellite data distribution business since 2000. During 2016, Novra significantly expanded its product portfolio and global footprint with the acquisition of International Datacasting Corporation and its wholly-owned U.S. subsidiary (collectively referred as "IDC"), a long-time leader in the same sector. Novra offers a comprehensive product portfolio including hardware, software, and services. In addition to its core video, radio, and data products, areas of expertise and added value include: encryption and cybersecurity, next-generation hybrid networks (satellite/terrestrial/cloud), and efficient bandwidth utilization.

In these interim financial statements, "Novra", "Company", "we", "us", or "our" refers to Novra Technologies Inc. and its wholly-owned subsidiaries.

The Board of Directors authorized the Condensed Consolidated Financial Statements for issue on August 29, 2017. These unaudited interim financial statements should be read in conjunction with the Novra's annual audited Consolidated Financial Statements for the year ended December 31, 2016.

2. Significant Accounting Policies

Our significant accounting policies are consistent with those disclosed in Note 2 of the audited Consolidated Financial Statements for the year ended December 31, 2016 except for the following:

Basis of Presentation

We have prepared these unaudited interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting.* Accordingly, they do not include all of the information and footnotes required under IFRS for complete financial statements. In the opinion of management, these unaudited interim Condensed Consolidated Financial Statements reflect all adjustments considered necessary for a fair presentation of Novra's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of the results for a full year. For areas involving a higher degree of management judgment or complexity, refer to Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2016.

The Condensed Consolidated Statement of Financial Position at June 30, 2017 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Shareholders' Equity and of Cash flows for the periods ended June 30, 2017 and 2016 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2016 is derived from Novra's audited Consolidated Financial statements.

The tabular disclosures herein are presented in thousands, except for share data. Further these interim financial statements are expressed in Canadian dollars.

Share-based Compensation

We have early adopted the amendments to IFRS 2 – Share Based Payment ("IFRS 2"), as issued by the IASB in June 2016. These amendments provide further clarification on how to account the following types of share-based compensation transactions:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations; and
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of these new amendments to IFRS 2 had no impact to Novra's Condensed Consolidated Financial Statements.

3. Recently Issued Accounting Standards Not Yet Adopted

The IASB has issued new accounting standards and amendments to existing standards. These are not yet effective at June 30, 2017, and could have a significant impact on Novra's future reporting periods.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

In April 2014, the IASB released IFRS 15, which replaces IAS 11, *Construction Contracts* and IAS 18, *Revenue*. This new standard specifies how and when companies will recognize revenue as well as requiring such entities to provide users of financial information with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 applies to annual reporting periods beginning on or after January 1, 2018. We are in the process of assessing the impact of this new revenue standard on Novra's Consolidated Financial Statements.

IFRS 9 Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. The classification under IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. Furthermore, this new standard includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fundamentally change the types of hedging relationships or the requirement to measure or recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduces more judgment to assess the effectiveness of a hedging relationship. IFRS 9 is to be applied retrospectively for annual reporting periods beginning on or after January 1, 2018. Early application is permitted. We have not yet assessed the impact of this standard on Novra's Consolidated Financial Statements.

(Tabular amounts are in 000's, except share data)

IFRS 16 Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, which replaces IAS 17, Leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 has also been applied. We have not yet assessed the impact of this standard on Novra's Consolidated Financial Statements.

4. Derivative Financial Instrument

At June 30, 2017, the estimated fair value of the 15 million stock options to purchase Wegener Corporation's ("Wegener") common shares at $0.03 USD each was $99 thousand or $0.0066 per option (December 31, 2016: $32 thousand or $0.0002 per option). This estimated fair value was based on the following key inputs used in the Black Scholes option pricing model:

	June 30, 2017	December 31, 2016
Expected life, in years	**0.75**	1.25
Volatility	**148%**	122%
Risk free interest rate	**1.24%**	0.85%
Dividend yield	**0%**	0%
Closing stock price - Wegener	**0.016**	0.008

At June 30, 2017, Wegener had 13,147,051 common shares outstanding. The exercise of the above noted options would give us controlling interest in Wegener.

5. Related Party Transactions

The following is a summary of Novra's related party transactions:

a) Key management personnel compensation

The following table discloses the compensation of independent directors as well as key management personnel (President & CEO, COO, and CFO) in the ordinary course of their employment recognized as an expense during the following reporting periods.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2017	2016	**2017**	2016
Salaries and employee benefits	**$ 87**	$ 35	**$ 168**	$ 59
Share-based compensation	**12**	-	**12**	-
Directors' fees	**2**	2	**4**	4
Total	**$ 101**	$ 37	**$ 184**	$ 63

(Tabular amounts are in 000's, except share data)

b) Transactions with other related parties

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Sale of goods and services				
InfoMagnetics Technologies Inc.("IMT") (1)	**$ (4)**	$ (3)	**$ (4)**	$ (3)
Purchase of goods and services				
InfoMagnetics Technologies Inc.("IMT") (1)	**-**	-	**-**	14
The Exchange Global Server Centre Inc. (2)	**2**	2	**4**	4
Interest on unsecured promissory notes				
IMT	**14**	13	**29**	22
Interest on convertible note				
IMT	**6**	-	**13**	-
	$ 18	$ 12	**$ 42**	$ 37

(1) Novra's President & CEO has a controlling interest in IMT.
(2) The Exchange Global Server Centre Inc. is 50% owned by IMT.

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

c) The breakdown of advances from related parties by party was as follows:

	June 30, 2017	December 31, 2016
Key management and directors (see part (a))	**348**	351
IMT	**19**	20
The Exchange Global Server Centre Inc.	**-**	-
	$ 367	$ 371

At June 30, 2017, $318 thousand (December 31, 2016: $325 thousand) was due to Novra's President & CEO in regards to unpaid salaries and expense reimbursements for prior years in which he voluntarily chose to not collect payment in the interest of preserving liquidity in the company. The payable amount bears no interest and has no repayment term.

(Tabular amounts are in 000's, except share data)

d) The following table shows the movement of unsecured promissory notes due to IMT during the reporting periods ended June 30, 2017 and 2016.

	2017	2016
At January 1	**$ 1,172**	$ 253
Loans received	**-**	1,063
Loan repayments	**(76)**	(45)
Foreign exchange movement	**(14)**	(44)
Interest charged	**29**	22
Interest paid	**(35)**	(13)
At June 30	**$ 1,076**	$ 1,417
Presentation:		
Current portion	**$ 345**	$ 1,017
Non-current portion	**731**	400
Total	**$ 1,076**	$ 1,417

On June 30, 2017, we entered a new unsecured promissory note of $381 thousand with IMT to replace the remaining unpaid $381 thousand unsecured promissory note dated June 9, 2016, which matured. The unsecured promissory note dated June 30, 2017, bears interest at 4% per annum and will mature on December 31, 2018.

e) The following table shows the carrying value of the convertible note due to IMT:

	June 30, 2017	December 31, 2016
Issuance of convertible note to IMT	**$ 300**	$ 300
Amount reclassed as equity	**(18)**	(18)
Unwind discount adjustment	**15**	3
Payment of interest	**(6)**	-
Conversion of note to common shares	**(291)**	-
Carrying value of convertible note	**$ -**	$ 285

On June 16, 2017, IMT elected to fully convert its convertible note to 2,500,000 common shares of Novra (see Note 9).

(Tabular amounts are in 000's, except share data)

6. Borrowings

The following table shows the movement in the total borrowings from the RBC Credit Facilities during the first half of 2017:

	Balance at January 1 2017	Additional Borrowings	Interest	Repayments	Balance at June 30 2017	Interest Rate	Maturity
Revolving Demand Facility (for general use)	$ 300	$ 80	$ 1	(381)	**$ -**	Royal Bank Prime + 0.50%	None; Due on demand
Revolving Demand Facility (for pre-shipment financing)	368	-	2	(370)	-	Royal Bank Prime + 0.75%	None; Due on demand
Non-Revolving Demand Facility (for pre-shipment financing of a large contract)	1,462	-	9	(1,471)	-	Royal Bank US Base Rate + 1.05%	Terminated during Q1 2017
	$ 2,130	$ 80	$ 12	$ (2,222)	**$ -**		

7. Loan Payable

The following table provides a breakdown of the loan payable to Crocus Investment Fund.

	June 30, 2017	December 31, 2016
Crocus loan	**$ 386**	$ 377
less: Current portion	**(106)**	(104)
Non-current portion	**$ 280**	$ 273

Principal repayment terms are as follows:

rest of 2017	$ 113
2018	109
2019	114
2020	50
	$ 386

Crocus Investment Fund also holds 3,660,660 common shares of Novra or 11.3% of total issued and outstanding common shares at June 30, 2017.

(Tabular amounts are in 000's, except share data)

8. Repayable Government Contribution

On June 5, 2015, Novra entered a contribution agreement with Western Economic Diversification ("WEDC"). Under this agreement, Novra is eligible to receive a repayable contribution not exceeding $447.5 thousand towards the commercialization of two new innovative technology-based products.

On February 23, 2017, the WEDC contribution agreement was amended to delay the repayment of the WEDC contributions by one year such that the 59 consecutive monthly installments of $7.4 thousand and one final instalment of $10.9 thousand, assuming all $447.5 thousand in potential contributions are collected, shall commence on April 1, 2019 and end on March 1, 2024. Further the amount of funding by WEDC may not exceed the following amounts in WEDC's fiscal year ending March 31st:

Year	Amount
2016	$64
2017	$150
2018	$233

The contributions are subject to interest at the average bank rate plus 3% if any payments are late.

During 2017 we received $120 thousand from WEDC. At June 30, 2017, the WEDC contribution payable was $185 thousand.

9. Shareholders' Equity

The following table provides a summary of authorized as well as issued and outstanding capital for Novra.

		June 30, 2017	December 31, 2016
Authorized:			
Unlimited	Class "A" Common voting shares		
Unlimited	Class "B" Common non-voting shares		
Unlimited	Class "C" Preferred shares, redeemable and retractable at $1,000		
Issued:			
33,284,312 (December 31, 2016: 29,077,435)			
Class "A" common voting shares		**$ 7,350**	$ 6,778

Common Shares

During the first half of 2017 we issued 4,206,877 common shares due to the following events:

- 1,706,877 warrants were exercised at $0.12 each. All remaining outstanding warrants have expired on June 15, 2017.

- IMT elected to convert its $300,000 convertible note for 2,500,000 common shares of Novra at $0.12 each (see Note 5(e)).

During the first half of 2016 we issued 6,689,342 common shares and 13,378,631 warrants as part of the merger transaction with IDC. The fair value of these warrants was $455 thousand and was reported as contributed surplus in Novra's Condensed Consolidated Statements of Changes in Shareholders' Equity.

Stock Options

On April 28, 2017, the Board of Directors approved the 2017 Stock Option Plan ("2017 Plan") to retain and attract executives, directors and key employees. This replaces and terminates the former option plan, which had no outstanding options. The 2017 Plan provides for the grant of stock options of up to an aggregate of 2,900,000 with a five-year vesting period and seven-year term. Subject to the applicable discount provided by the TSX-V rules, the exercise price will be at least equal to the fair market value of Novra's common shares at the grant date as defined as the greater of:

- The volume weighted average trading price for Novra's common share for the five market trading days immediately prior to the grant date; and
- The closing trading price of Novra's common share on the day immediately prior to the grant date.

Additionally, the Board of Directors has the discretion to amend general vesting provisions and the term of any award under the 2017 Plan, subject to the restrictions defined in the 2017 Plan. The TSX-V approved the 2017 Plan on May 9, 2017.

During the second quarter of 2017, the Board of Directors approved the grant of 1,500,000 stock options to independent directors, employees, and a sales consultant under the terms of the 2017 Plan, exercisable at $0.12 each and subject to the following vesting provision:

- 20% on June 30, 2017;
- 20% on December 31, 2017;
- 20% on December 31, 2018;
- 20% on December 31, 2019; and
- 20% on December 31, 2020.

In connection with the employment agreement entered with the CFO during the second quarter of 2017, the Board of Directors approved the grant of 300,000 stock options, exercisable at $0.12 each and subject to a five-year vesting period starting with 20% on December 31, 2017, and 20% annually thereafter.

All options granted during 2017 will expire seven years from the grant date.

(Tabular amounts are in 000's, except share data)

Summary of Stock Option Information:

The following table provides a summary of stock option activity in 2017:

	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	-	$ -
Granted	**1,800,000**	**$ 0.12**
Exercised	-	$ -
Forfeited	**(16,000)**	**$ 0.12**
Expired	-	$ -
Outstanding, end of period	**1,784,000**	**$ 0.12**

At June 30, 2017, the remaining stock option pool for future grants was 1,116,000.

The following table summarizes information about the stock options outstanding at June 30, 2017:

# of Options Outstanding	Grant Date	Expiry Date	Fair Value at Grant Date	# of Options Exercisable	Exercise Price
1,484,000	**11-May-17**	**10-May-24**	**$ 0.07**	**300,000**	**$ 0.12**
300,000	**28-Jun-17**	**28-Jun-24**	**$ 0.06**	**-**	**$ 0.12**
1,784,000				**300,000**	

We used the following assumptions in the Black-Scholes option pricing model to estimate the fair value of options at the following grant dates:

	11-May-17	28-Jun-17
Expected life, in years	3.5 years	3.5 years
Volatility	80%	85%
Risk free interest rate	0.60%	0.94%
Anticipated forfeiture	0 to 10%	0%
Dividend yield	0%	0%
Closing stock price at grant date	0.13	0.11

(Tabular amounts are in 000's, except share data)

10. Earnings (Loss) Per Share ("EPS")

a) Basic EPS

Basic EPS is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Net income (loss)	**$ 693**	$ (177)	**$ 881**	$ (484)
Weighted average number of common shares	**30,224**	23,564	**29,655**	22,976
Basic EPS	**$ 0.02**	$ (0.01)	**$ 0.03**	$ (0.02)

b) Diluted EPS

Diluted EPS is calculated by adjusting the weighted average number of common shares to assume conversion of all dilutive common shares.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Net income (loss)	**$ 693**	$ (177)	**$ 881**	$ (484)
Weighted average number of common shares:				
Weighted average number of common shares	30,224	23,564	29,655	22,976
Adjustment for:				
- Stock Options (1)	146	-	**-**	-
Weighted average number of common shares for diluted EPS	**30,370**	23,564	**29,655**	22,976
Diluted EPS	**$ 0.02**	$ (0.01)	**$ 0.03**	$ (0.02)

(1) Stock options were anti-dilutive for the six-month period as the average Novra share price was $0.118.

11. Operating Expenditures

We present our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) on a functional basis in which expenditures are aggregated to the function to which they relate. We have identified the major functions as general and administrative, sales and marketing, and research and development activities.

The following table provides a further breakdown of our operating expenditures for the indicated reporting periods.

(Tabular amounts are in 000's, except share data)

Three Months Ended June 30, 2017	**General and administrative**	**Sales and marketing**	**Research and development**	**Total**
Personnel expenditures	$ 127	$ 344	$ 297	$ 768
Other operating expenditures	39	106	76	221
Depreciation and amortization	1	1	83	85
	$ 167	**$ 451**	**$ 456**	**$ 1,074**

Three Months Ended June 30, 2016	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	$ 52	$ 31	$ 143	$ 226
Other operating expenditures	180	38	30	248
Depreciation and amortization	-	-	2	2
	$ 232	$ 69	$ 175	$ 476

Six Months Ended June 30, 2017	**General and administrative**	**Sales and marketing**	**Research and development**	**Total**
Personnel expenditures	$ 234	$ 566	$ 606	$ 1,406
Other operating expenditures	95	215	141	451
Depreciation and amortization	1	1	168	170
	$ 330	**$ 782**	**$ 915**	**$ 2,027**

Six Months Ended June 30, 2016	General and administrative	Sales and marketing	Research and development	Total
Personnel expenditures	$ 78	$ 39	$ 262	$ 379
Other operating expenditures	216	66	44	326
Depreciation and amortization	-	-	3	3
	$ 294	$ 105	$ 309	$ 708

12. Finance Costs

The following table provides a breakdown of total finance costs during the following reporting periods.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2017	2016	**2017**	2016
Interest expense:				
- Bank borrowings and Crocus loan	**$ 5**	$ 10	**$ 21**	$ 20
- Unsecured promissory notes (see Note 5 (d))	**14**	13	**29**	22
- Convertible note (see Note 5 (e))	**6**	-	**13**	-
Fees on bank borrowings and promissory notes	**1**	2	**11**	18
	$ 26	$ 25	**$ 74**	$ 60

(Tabular amounts are in 000's, except share data)

13. Segmented Information

For the second quarter of 2017, three customers accounted for more than 10% of Novra's total revenues each, at a combined total of 78% (June 30, 2016– three customers accounted for 60%). For the six months ended June 30, 2017, two customers accounted for more than 10% of Novra's total revenues each, at a combined total of 60% (June 30, 2016- four customers accounted for 62%).

Revenues by geographic market are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Canada	**$ 1,578**	$ 71	**$ 2,446**	$ 112
Americas ex-Canada	**1,433**	292	**2,362**	514
APAC	**131**	72	**336**	122
EMEA	**119**	66	**540**	68
	$ 3,261	$ 501	**$ 5,684**	$ 816

Revenues by type are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Products	**$ 2,959**	$ 431	**$ 5,132**	$ 735
Services	**302**	70	**552**	81
	$ 3,261	$ 501	**$ 5,684**	$ 816

14. Net Change in Non-Cash Working Capital

The components of the net change in non-cash working capital are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Trade and other receivables	**$ 93**	$ 167	**$ 1,560**	$ 360
Inventories	**741**	112	**955**	37
Notes receivable	**3**	-	**4**	9
Current tax assets	**-**	-	**2**	-
Prepayments	**(140)**	(46)	**(6)**	(149)
Amounts payable including advances	**(156)**	(103)	**(578)**	164
Customer deposits	**2**	(17)	**(78)**	(17)
Deferred revenue	**(1,378)**	(62)	**(519)**	(83)
Warranty provision	**41**	2	**58**	2
Total	**$ (794)**	$ 53	**$ 1,398**	$ 323

(Tabular amounts are in 000's, except share data)

Non-cash transactions in 2017:

- The conversion of the $300 thousand Convertible Note to Novra's common shares (see Note 9).
- The unsecured promissory note dated June 30, 2017 of $381 thousand, replacing the remaining $381 thousand on the unsecured promissory note dated June 9, 2016.

15. Commitments and Contingent Liabilities

a) Lease commitments

At June 30, 2017, Novra's future minimum payments under non-cancellable operating leases for offices were as follows:

rest of 2017	$	138
2018		233
2019		113
Total	$	484

b) Purchase Commitments

In the normal course of business, we may enter purchase commitments, including inventory and third party software license embedded in our products, to achieve economy of scale. At June 30, 2017, we had $220 thousand of purchase commitments of which $67 thousand is due within one year.