Wavefront Technology Solutions Inc.

Annual & Fourth Quarter Report For The Fiscal Year Ended August 31, 2017

The following discussion and analysis of financial results should be read in conjunction with the audited financial statements and the accompanying notes for the years ended August 31, 2017 and 2016, and is based on information available to December 14, 2017. Additional information on Wavefront Technology Solutions Inc.'s (the "Company" or "Wavefront") is available on SEDAR at www.sedar.com.

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

MANAGEMENT'S RESPONSIBILITY

Management has prepared this Management's Discussion and Analysis ("MD&A"). The MD&A is based upon Wavefront Technology Solutions Inc.'s (the "Wavefront" or "the Company") financial results prepared in accordance with International Financial Reporting Standard's ("IFRS"). The MD&A primarily compares the audited financial results for the year ended and fourth quarter ended August 31, 2017 to August 31, 2016. Management has established and maintains an accounting and reporting system supported by internal controls designed to safeguard assets from loss or unauthorized use and ensure the accuracy of the IFRS financial records (also see section titled "Controls and Procedures" page 24). The financial information presented throughout this MD&A should be read in conjunction with consolidated financial statements.

Unless otherwise indicated, all amounts shown below are in Canadian dollars. Additional information regarding our Company is available on SEDAR, www.sedar.com. Such additional information is not incorporated herein, unless otherwise specified, and should not be deemed to be made part of this MD&A.

Deloitte LLP, an independent firm of Chartered Accountants, has been engaged, as approved by a vote of shareholders at the Company's most recent annual general meeting, as external auditors of the Company. The Independent Auditors' Report to the shareholders, which describes the scope of their examination and expresses their opinion, is presented in the consolidated financial statements.

The Audit Committee of the Board of Directors, whose members are independent as defined in National Instrument 52-110: Audit Committee, meet to review the consolidated financial statements with management and the auditors, and has reported to the Board of Directors thereon. On the recommendation of the Audit Committee, the Board of Directors has approved the consolidated financial statements.

NON-IFRS MEASURES

The Company uses both IFRS and additional and non-IFRS measures to make strategic decisions, to set targets and use in operating activities, and believes that these non-IFRS measures provide useful supplemental information to investors. "Working capital", "gross profit", "gross profit margin", "other technology revenues", and "EBITDA" are measures used by the Company that do not have a standard meaning prescribed by IFRS and may not be comparable to similar measures used by other companies.

- Working capital is calculated by subtracting current liabilities from current assets. Working capital is a non-IFRS measure with no comparable IFRS measure;

- Gross profit is calculated by deducting cost of sales which includes direct costs, such as direct materials, direct labour, travel related expenditures, sub-contractors, shipping, duties and taxes, from gross revenue. Gross profit margin is calculated by dividing the gross profit by gross revenue. Gross profit is a non-IFRS measure with no comparable IFRS measure;

- Other technologies revenue consists of Primawave and Performance Drilling product revenues.Other technologies revenues are non-IFRS measure with the most comparable IFRS measure being revenues, and,

- EBITDA, an acronym for earnings before interest, taxes, depreciation, and amortization, is calculated by adding back all interest, tax, depreciation and amortization to net loss. EBITDA is a non-IFRS measure with the most comparable IFRS measure being net income (loss).

Non-IFRS measures are viewed as key information as the chief decision maker, being the President and Chief Executive Officer, regularly reviews such measures in making expense and capital investment decisions.

OVERVIEW OF BUSINESS

As an Oil Field Service ("OFS") provider Wavefront is a leader in dynamic injection methods that improve the distribution of fluids in the ground. Wavefront's core technology, marketed under the brand name, "Powerwave™", has proven to increase oil and gas production rates; decrease oil production decline rates; and, reduce well stimulation chemical costs while also increasing post-stimulation production or injection sustainability rates.

Powerwave is marketed in two primary areas to exploration and production companies ("E&P's"):

i. Well stimulation; and,

ii. Improved or Enhanced Oil Recovery ("IOR/EOR").

A well stimulation is an operation performed on a well to restore or enhance productivity or improve injection. In most instances a chemical is pumped into the well to stimulate a producing or injection interval. In other cases stimulation is used to remove scales such as calcium carbonate or barite, to rid a well of accumulated waxes on tubulars or to remove sand fill.

IOR/EOR targets stranded or bypassed oil in reservoir which is very difficult to produce due to various physical limitations. The common theme in all IOR/EOR (except acoustic or electromagnetic) projects is the injection of a fluid to mobilize bypassed oil.

OUTLOOK

Since fiscal 2015, corresponding with the significant downturn in global oil and gas activities, Wavefront altered its course; moving from a strong emphasis on the IOR/EOR market having a 6 to 12 month sales cycle to a shorter sales cycle activity associated with single well stimulations. Within that course change the Company launched a strategy that would focus the bulk of its marketing efforts in the Middle East region; more specifically the State of Kuwait ("Kuwait") and the Kingdom of Saudi Arabia ("KSA"). To support these efforts, the Company aligned itself with well established local coil tubing ("CT") service providers that already had an established market share. In Kuwait, Wavefront partnered with Gulf Drilling and Maintenance Co., ("GDMC"), while in KSA the Company partnered with National Petroleum Services ("NPS"). With the support of GDMC and NPS, Wavefront then sought to gain technology approvals from the state-owned oil and gas companies in each country for its suite of Powerwave well stimulation tools and methodologies. These approvals were granted approximately one year ago.

The aforementioned strategy has provided a solid platform for future revenue growth for the Company and its marketing partners, GDMC and NPS. All parties anticipate expanded use of Wavefront's Powerwave platform in both Kuwait and KSA. More specifically, based partly on very favourable Powerwave results the CT market share for GDMC has also grown. The growth in GDMC's market share has resulted in other local and international CT firms seeking Powerwave for Kuwait. Subsequent to fiscal year end 2017, Wavefront and GDMC entered into an exclusive distribution agreement which provides GDMC sole operational rights to Powerwave in Kuwait for a guaranteed minimum aggregate yearly fee of US $1 million (i.e., additional technology fees or royalties for the use or resale of Powerwave equipment and services apply in excess of the guaranteed minimum of US $1 million threshold). The agreement is valid for three (3) years, subject to renegotiation thereafter.

More recently, NPS and Wavefront have undertaken the longest well stimulations associated with Powerwave in the Company's history. Positive outcomes from these wells lead NPS and Wavefront to believe that there are tremendous growth opportunities for Powerwave in KSA and that, with the coming new KSA 2018 fiscal budget, Powerwave will be in high demand. In addition to KSA, NPS has recently had success using Powerwave in Algeria and the state-owned oil company, has approved the Powerwave well cleaning tool for their use. Wavefront anticipates NPS, which provides well services to state-owned oil company, will use this form of Powerwave tool from 5 to 10 times per month in Algeria. NPS also plans to introduce the Powerwave acidizing tool in Algeria in the first calendar quarter of 2018. Lastly, the regional reach of NPS has led to heighted interest by NPS clients to consider using Powerwave in both Iraq and India. Wavefront will be supporting NPS in a roll-out of Powerwave in these locations.

Wavefront has recently commenced Phase II implementation of a Powerwave-driven waterflood in Oman. This IOR/EOR project had originally been delayed due to the poor commodity prices of the past couple of years. Based on Phase I results, Wavefront and its local marketing partner, Marjan Petroleum are very confident that Powerwave will bring the intended positive production outcomes and as such, the national petroleum company will deem Powerwave to be a "commercial product". It is anticipated that this designation will then lead to a longer-term contract where Powerwave can be accessed on a call-out basis without a long sales cycle.

With the advent of higher and more stable oil prices Wavefront has seen increased activity in well stimulation work in the United States and a heighted interested in Powerwave products in Canada. The Company anticipates it will continue to benefit from higher oil prices in its US operations as existing clients increase their activities and new clients are added. Barring any unforeseen or large decline in oil prices, the Company foresees an upward trend in revenue generation in North America (albeit not to historical levels) as larger, more capital intense IOR/EOR programs lag behind well stimulation activity.

Latin and South America have played a large part in the Powerwave success story and have also historically provided significant revenue to Wavefront. During the most recent downturn in the oil and gas industry, the financial contribution to Wavefront from this region was significantly impacted in a negative manner. Of late, Wavefront has seen a resurgence of activity in the region and more specifically in Colombia, where several new Powerwave orders have been received. Powerwave has been deemed a "commercial technology" in Columbia by both state-owned oil and gas producer Ecopetrol and by a major international E&P company operating there. Wavefront and its local marketing partner in Colombia, Gesca, are working on solidifying additional contracts in the country.

Overall, the Company remains hopeful about future revenue from all regions and must closely monitor and push on-going opportunities to bring them into fruition. While the revenue picture appears optimistic, for the coming fiscal year the Company will continue to be focused on cost discipline, including the deferral of non-essential capital spending and operating expenditures.

OVERALL RESULTS FROM OPERATIONS

Wavefront operates with one reportable segment that covers all aspects of the Company's business.

Wavefront considers the basis on which it is organized, including the economic characteristics (such as the nature of the products and service and any bundling or cross use thereof, types of customers, operating segment served within the industry and similarity of segments with other OFS companies, quantitative and qualitative thresholds, etc.) and geographic areas, in identifying its reportable segment. The operating segment(s) of the Company is defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the President and Chief Executive Officer.

Within this MD&A, however, Wavefront provides additional product level information such as revenues by product line and geography, and gross profit margins by product line, as it believes this additional information is useful supplemental information to investors with respect to the development of the business.

In fiscal 2017, Wavefront's total revenue amounted to $2,167,540, a decrease of $568,258; compared to $2,735,798 in fiscal 2016. The decline in revenue was principally in EOR/IOR revenues as five projects came to an end in the prior year, and Wavefront focused on near term stimulation revenues, and commercialization of Powerwave in the Middle East. Stimulation revenues increased by $589,290 (or 85.3%), which relates to increases of $370,118 (or 128.7%) and $215,332 (or 69.4%) in revenues from the United States and internationally, respectively. Expenses however, increased by $355,638 during fiscal 2017, albeit during the fiscal year the Company initiated a lawsuit to protect its intellectual (i.e., core patents) property and incurred one-time expenses and legal fees amounting to $618,241. Excluding the expenses to assert it intellectual property rights, overall expenses decreased by $262,603 over the prior year.

Fourth quarter gross revenues (i.e., three months ended August 31, 2017) amounted to $527,437, an increase of $32,321 from the comparative fourth quarter (i.e., three months ended August 31, 2016) revenues of $495,116.

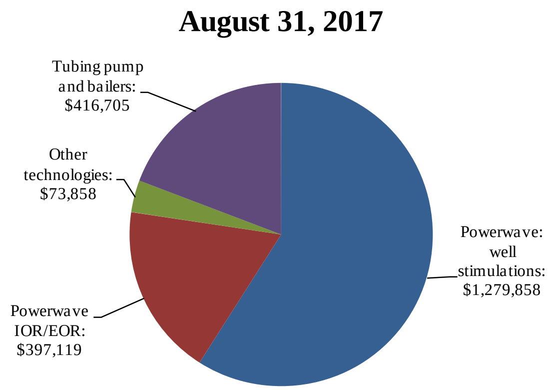
Impairment

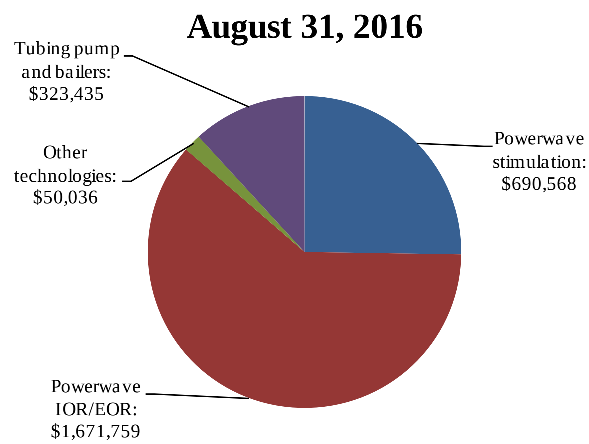
As at August 31, 2017 and 2016, the Company assessed impairment indicators for the Company's cash generating units ("CGUs") and concluded that apart from prior year's impairment indicators that no indicators of impairment were present.

CONSOLIDATED RESULTS – FISCAL YEAR ENDED AUGUST 31, 2017

Revenues

Revenues for the fiscal year ended August 31, 2017 were $2,167,540, decreasing by $568,258 over the comparative fiscal year that recognized revenues of $2,735,798. The changes in product line mix can be characterized as follows and reflect Wavefront's strategic change to more of a focus on Powerwave well stimulations over IOR/EOR activities:





Revenue attributed only to Powerwave product lines were $1,676,977, a decrease of $685,350 over revenues in the comparative period of $2,362,327. The Powerwave product line is subdivided into well stimulation and IOR/EOR applications with IOR/EOR revenues showed a decrease as certain projects came to an end.

For fiscal 2017, Powerwave revenues related to well stimulations totalled $1,279,858, an increase of $589,290 or 85.3% over revenues of $690,568 in the comparative period. The higher revenues relate to increased Powerwave well stimulation activity in the US, and the advancement of Powerwave commercialization efforts in the Middle East that saw revenues increase by $215,332 or 69.4%.

For fiscal 2017 the total revenue of IOR/EOR Powerwave projects totalled $397,119 compared to $1,671,759 in the comparative period. Lower IOR/EOR gross revenues were principally due to expiring international IOR/EOR revenues in: Brazil, Colombia, and, Argentina. Other Technology revenues, comprised of Primawave and Performance Drilling, for fiscal 2017 totalled $73,858 (2016 - $50,036).

For fiscal 2017, revenues from the tubing pumps and bailer product line totalled $416,705, an increase of $93,270 from $323,435 in the comparative period. Tubing pumps and bailer revenues are comprised of a tool rental, delivery, and tool refurbishment fees, due to increased activity in certain local geographic areas.

Geographically, $522,175 (2016 – $528,257) in revenue was generated in Canada, $688,152 (2016 - $336,444) from the United States, and $957,213 (2016 - $1,871,097) internationally. The geographic revenues are more specifically described as follows:

> **Canada**. Gross revenues in our Canadian operation remained relatively flat decreasing by $6,082 to $522,175 compared to $528,257 in fiscal 2016.
>
> Powerwave IOR/EOR applications revenues totalled $nil (2016 - $112,192); Powerwave well stimulation revenues totalled $96,470 (2016 - $92,630); tubing pump and bailer revenues totalled $416,705 (2016 - $323,435); and Other technologies totalled $9,000 (2016 - $nil).
>
> **United States**. Gross revenues in our US operation increased by $351,708 or 104.5% to $688,152 (2016 - $336,444). Powerwave well stimulation revenues increased by $370,118 or 128.7% to $657,720 (2016 -

$287,602); and Other technologies totalled $30,432 (2016 - $48,842). The Company's focus in the United States is on Powerwave well stimulation activities primarily in Texas.

International: Gross revenues outside our Canadian and US operations decreased by $913,884 to $957,213 (2016 - $1,871,097). Powerwave IOR/EOR applications revenues totalled $397,119 (2016 - $1,559,567) as several projects were not renewed due to client internal issues and oil price volatility and not Powerwave results; Powerwave well stimulation revenues increased by $215,332 or 69.4% to $525,668 (2016 - $310,336); and Other technologies totalled $34,426 (2016 - $1,194). The increase in Powerwave well stimulations speaks to Wavefront's strategy of a stronger and concentrated emphasis that targets key Middle East national oil companies.

Costs of Sales

Under IFRS cost of sales includes direct labour, wage benefits and associated stock option benefits, consumable (i.e., inventory) parts, third party installation costs of Powerwave, Primawave, tubing pump and bailer product lines.

Any losses related to Powerwave projects are immediately recognized and have the effect of increasing direct cost for the period in which they occur or are known to occur.

Cost of sales decreased by $414,931 to $681,042, (or 31.4% of revenues) compared to $1,095,973 (or 40.1% of revenues) for the comparative reporting period.

Costs of sales were positively impacted by the increase in product mix in Powerwave stimulation revenues and in particular international Powerwave stimulation revenues, and the reduction of certain agent and distributor commission and fees. Costs of sales for international Powerwave IOR/EOR projects totalled $134,072 or 33.8% (2016 - $698,566 or 37.3%) of international Powerwave IOR/EOR revenues, whereas costs of sales for all Powerwave well stimulations totalled $388,166 or 30.3% (2016 – $225,499 or32.7%) of Powerwave well stimulations revenues.

Gross Profit

Gross profits were $1,486,498 (or 68.6% of revenues) compared to $1,639,825 (or 59.9% of revenues) for the comparative reporting period.

The following table sets out the gross profit margins by product line for fiscal 2017:

	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 397,119	$ 1,279,858	$ 416,705	$ 73,858	$ 2,167,540
Costs of sales	134,072	388,166	155,922	2,882	681,042
	$ 263,047	$ 891,692	$ 260,783	$ 70,976	$ 1,486,498
Gross profit margin (note 1)	66.2%	69.7%	62.6%	96.1%	68.6%

note 1: Gross profit margin is calculated by subtracting direct costs from revenue and dividing the result by revenue, and is further discussed in Non-IFRS Measures

The following table sets out the gross profit margins by product line for fiscal 2016:

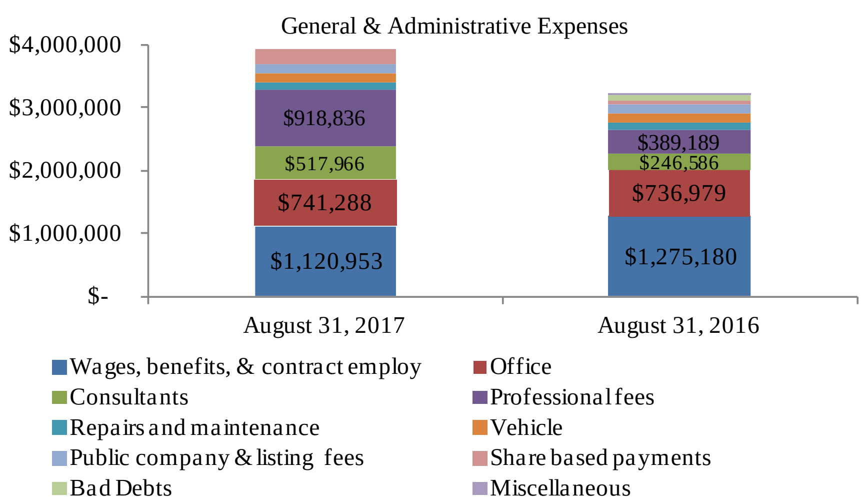
	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 1,671,759	$ 690,568	$ 323,435	$ 50,036	$ 2,735,798
Costs of sales	755,851	225,499	112,987	1,636	1,095,973
	$ 915,908	$ 465,069	$ 210,448	$ 48,400	$ 1,639,825
Gross profit margin (note 1)	54.8%	67.3%	65.1%	96.7%	59.9%

note 1: Gross profit margin is calculated by subtracting direct costs from revenue and dividing the result by revenue, and is further discussed in Non-IFRS Measures

Other Expenses

Other expenses, excluding costs of sale, for the year ended August 31, 2017, amounted to $5,225,011, compared to $4,454,442 in fiscal 2016. Excluding costs of sales, the overall increase in expenses of $770,569 principally relates to the following

i) The following chart illustrates the increases of $810,757 in general and administrative expenses (August 31, 2017 - $4,021,304; August 31, 2016 - $3,210,547):



General and administrative expenses variance principally relates to the following:

- Decreases in wage and employee benefits of $154,227 to $1,120,953. The decreases principally relate to a decrease and changes in staffing levels, and by the varying allocations to other functional categories (i.e., sales and marketing, and research and development) and in the manufacturing of Powerwave tools.

- Decreases in bad debt of $22,941 to $64,705. The decreases principally relates to prior year bad debts related to the change in economic activities.

- Decrease in repairs and maintenance of $18,747 to $111,373. The decrease in repairs and maintenance fees principally relate to Calgary sales office operating and maintenance costs that were incurred in the comparative period. The Calgary sales office was vacated in the prior year in response to activity levels and industry conditions.

Offsetting the above noted decreases were increases in the following:

- Professional fee of $529,647 to $918,836, which principally relates to an increase in legal fee of $588,405 pertain to protecting Wavefront's intellectual property.

- Consulting fees of $271,380 to $517,966 principally relates to the use of external consultants in the comparative year for dedicated individuals to assist in the marketing and reservoir engineer related efforts in the Middle East. Subsequent to the reporting period one consultant was terminated in favour of now using internal resources.

- General and administrative share based payments by $209,996 to $263,101 is the allocation to general and administrative functional expense of the Company issued 1,975,000 incentive stock options to employees and directors on August 4, 2016 that was principally expensed throughout fiscal 2017.

ii) Sales and marketing expenses increased by $139,481 to $672,620 (2016 - $533,139). The increase principally relates to an increase in travel and accommodation expenses of $110,397 related to marketing efforts and the support of its agents and distributors in the Middle East. Additionally, the Company has seen its marketing expenses increase by $50,359 due to the allocation of wage and stock option expenses. Offsetting these increases, meal and entertainment expenses decreased by $13,669, and decreases in trade show and advertising expenses by $8,043. The decreases are a result of an on-going effort to manage these expenses related to more near term revenues.

iii) A decrease in "amortization and depreciation" expenses of $166,908 to $379,061 (2016 - $545,969) relates to a reduction in the property, plant and equipment base as a result of the above noted non-cash impairment write-down of property, plant and equipment.

iv) Research and development remained relatively flat, decreasing by $12,761 to $152,026 (2016 - $164,787) as the Company focused on fewer research and development projects in favor of cost controls and on near term revenue initiatives.

Net Finance Section of Income

Under IFRS any recognized foreign exchange losses are recorded in financing costs, where as foreign exchange gains are recorded in financing income.

Financing costs totalled $18,553 (2016 - $11,442). Finance costs included interest expenses totalling $1,715 (2016 - $1,777) and a recognized foreign exchange loss totalling $16,838 (2016 - $9,665).

Financing income for the reporting period decreased by $16,886 to $46,972 compared to $63,858 for the comparative year. Financing income relates solely to interest income generated by investing unrestricted cash in instruments that mature in one year or less.

Operating Cash Flows

The following table sets out the cash used in operations as at August 31, 2017 compared to August 31, 2016:

	As at August 31, 2017	As at August 31, 2016
Net loss	$ (3,710,094)	$ (2,762,201)
Items not affecting cash		
Amortization and depreciation	379,061	545,969
Share-based payments	338,629	66,188
Loss on disposal of property, plant and equipment	32,520	13,389
Interest expense	1,715	1,777
Impact of foreign translation	(18,808)	14,281
	(2,976,977)	(2,120,597)
Interest paid	(1,715)	(1,777)
Net change in non-working capital items	(120,764)	1,092,062
Cash used in operating activities	(3,099,456)	(1,030,312)

The net increase in net loss was impacted by the non-recurring increase in the aforementioned professional fees and consulting fees which totalled $859,785 for fiscal 2017. Whereas, the net changes in non-working capital items were impacted negatively by the increase of approximately $681,639 in accounts receivables, which is a result in delays in collecting accounts receivables related to international collections and one United States based customer (see Liquidity and Capital Resources section below for further discussion).

Net Loss and Loss Per Share

The basic and diluted net loss for the year ended August 31, 2017 was $3,710,094 ($0.045 per share), compared to $2,762,201 ($0.033 per share) in fiscal 2016.

Earnings before interest tax, depreciation and amortization ("EBITDA")

The following table sets out the Company's EBITDA loss and EBITDA loss per share:

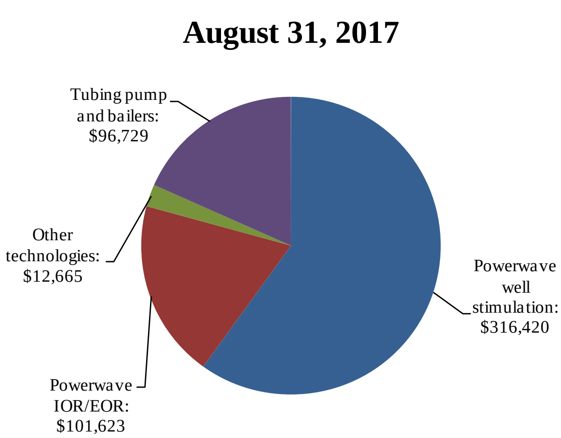
	As at August 31, 2017	As at August 31, 2016
Net loss	$ (3,710,094)	$ (2,762,201)
Items not affecting cash		
Amortization and depreciation	379,061	545,969
Interest and tax expense	1,979	8,593
EBITDA	$ (3,329,054)	$ (2,207,639)
EBITDA loss per share	$ (0.040)	$ (0.027)

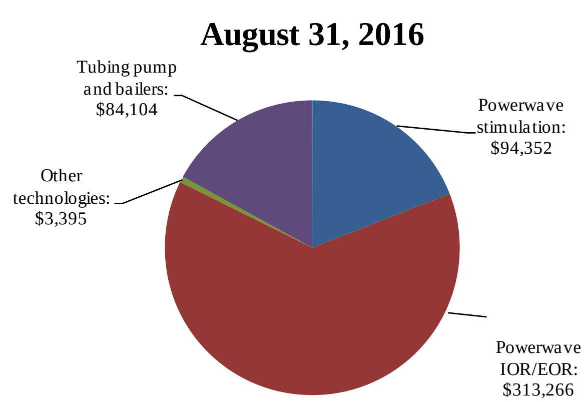
note 1: EBITDA is calculated by adding back all interest, tax, depreciation and amortization to net loss, and is further discussed in Non-IFRS Measures

FOURTH QUARTER RESULTS - THREE MONTHS ENDED AUGUST 31, 2017

Revenues

Revenues for the three months ended August 31, 2017 were $527,437 an increase of $32,321 over the comparative period in 2016 that recognized revenues of $495,116. The changes in product line mix are characterized in the comparative charts below.





Revenue attributed to Powerwave product lines for the three months ended August 31, 2017 were $418,043 compared to comparative period of $407,618. For the three months ended August 31, 2017, the total revenue of Powerwave IOR/EOR projects totalled $101,623 compared to $313,266 in the comparative period.

For the three months ended August 31, 2017 Powerwave revenues related to well stimulations increased by $222,068 or 235.4% to $316,420. The increase in Powerwave stimulation revenues relate to increases of $119,464 or 369.2% in the US and $67,569 or 205.5% internationally. Other Technology related revenues totalled $12,665 (2016 - $3,395).

For the three months ended August 31, 2017 revenues from the tubing pumps and bailer product line totalled $96,729 compared to $84,104 in the comparative period.

Geographically, $160,884 (2016 – $113,223) in revenue for the three months ended August 31, 2017 was generated in Canada, $164,488 (2016 - $34,560) from the United States, and $202,065 (2016 - $347,333) and internationally. The geographic revenues are more specifically described as follows:

Canada. Gross revenues for the three months ended August 31, 2017 in our Canadian operation increased by $47,661 or 42.1% to $160,884 in fiscal 2017 (2016 - $113,223). Powerwave well stimulation revenues in Canada totalled $64,155 (2016 - $29,119); and tubing pump and bailer revenues totalled $96,729 (2016 - $84,104).

United States. Gross revenues for the three months ended August 31, 2017 in our US operation increased by $129,928 or 376.0% to $164,488 (2016 - $34,560). Powerwave well stimulation revenues totalled $151,823 (2016 - $32,359); and Other technologies totalled $12,665 (2016 - $2,201).

International: Gross revenues for the three months ended August 31, 2017 outside our Canadian and US operations decreased by $145,268 to $202,065 (2016 - $347,333). Powerwave IOR/EOR applications revenues totalled $101,623 (2016 - $313,266); Powerwave well stimulation revenues totalled $100,442 (2016 - $32,873); and Other technologies totalled $nil (2016 - $1,194).

Costs of Sales

Costs of sales for the three month period ended August 31, 2017 were $94,920 or 18.0% of revenues (2016 - $165,842 or 33.5% of revenues).

Gross Profit

Gross profits for the three month period ended August 31, 2017 were $432,517 or 82.0% of revenues (2016 - $329,274 or 66.5% of revenues).

The following table sets out the gross profit margins by product line for the three months ended August 31, 2017:

	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 101,623	$ 316,420	$ 96,729	$ 12,665	$ 527,437
Costs of sales	(26,805)	76,609	43,008	2,108	94,920
	$ 128,428	$ 239,811	$ 53,721	$ 10,557	$ 432,517
Gross profit margin (note 1)	126.4%	75.8%	55.5%	83.4%	82.0%

note 1: Gross profit margin is calculated by subtracting direct costs from revenue and dividing the result by revenue, and is further discussed in Non-IFRS Measures

The expense credit in Powerwave IOR/EOR is a result of prior period accruals of international projects that amounted to $68,907, which will not have to be paid.

The following table sets out the gross profit margins by product line for the comparative period of the three months ended August 31, 2016:

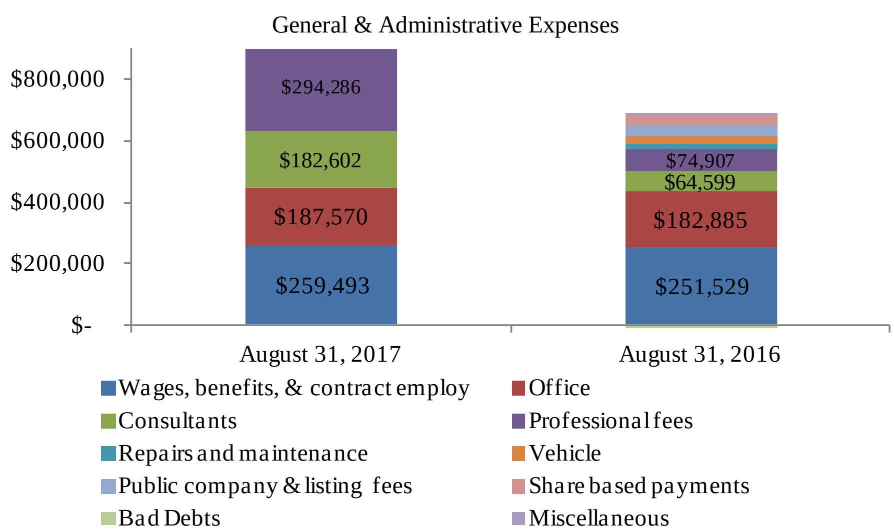
	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 313,266	$ 94,352	$ 84,104	$ 3,394	$ 495,116
Costs of sales	71,522	66,786	27,534	-	165,842
	$ 241,744	$ 27,566	$ 56,570	$ 3,394	$ 329,274
Gross profit margin (note 1)	77.2%	29.2%	67.3%	100.0%	66.5%

note 1: Gross profit margin is calculated by subtracting direct costs from revenue and dividing the result by revenue, and is further discussed in Non-IFRS Measures

Other Expenses

Other expenses, excluding costs of sale, for the three months ended August 31, 2017 amounted to $1,409,856, compared to $940,845 in the comparative period in 2016. The increase in these expenses of $469,011 was principally a result of the following:

i) The following chart illustrates the increases of $418,174 in general and administrative expenses (August 31, 2017 - $1,069,622; August 31, 2016 - $651,448):



General and administrative expenses variance principally relate to the following:

- Increases in professional fees of $219,379 to $294,286, pertains to an increase in legal fee of $213,839 pertain to protecting Wavefront's intellectual property.

- Increases in consulting fees of $118,003 to $182,602, pertains to the use of external consultants in the comparative year for dedicated individuals to assist in the marketing and reservoir engineer related efforts in the Middle East.

- Increases in bad debts of $46,500 to $12,336 principally relating to collection of previously written-off accounts to bad debt in the prior period that resulting in a bad debt credit or recovery of $34,164.

ii) An increase of $47,922 in sales and marketing expenses to $178,018 (2016 - $130,096). The increase principally relates to an increase in air travel expenses of $53,162 related to marketing efforts and the support of its agents and distributors in the Middle East, with decreases in trade show and advertising of $9,944.

iii) Research and development expenses remained relatively flat, increasing by $15,290 to $43,105 (2016 - $27,815) in research and development expense. As larger projects come to a close, the Company will focus on fewer research and development projects in favour of focusing on near term revenue initiatives.

iv) A decrease of $12,375 in "amortization and depreciation" expenses to $119,111 (2016 - $131,486), relates to a reduction in the property, plant and equipment base as a result of the non-cash impairment write-downs.

Net Finance Section of Income

Under IFRS any recognized foreign exchange losses are recorded in financing costs, where as foreign exchange gains are recorded in financing income.

Financing costs totalled $20,312 (2016 - $43) interest expenses totalled $115 (2016 - $43) and foreign exchange loss totalled $20,197 (2016 - $nil).

Financing income for the reporting period totalled $8,186 (2016 - $18,751). Financing income included interest income of $8,186 (2016 - $16,755) and a recognized foreign exchange gain of $nil (2016 - $1,996).

Operating Cash Flows

The following table sets out the cash used in operations for the quarter ended August 31, 2017 compared to August 31, 2016:

	Three months ended August 31, 2017	Three months ended August 31, 2016
Net loss	$ (989,465)	$ (592,863)
Items not affecting cash		
Amortization and depreciation	119,111	131,486
Share-based payments	43,102	49,342
Interest expense	115	43
Impact of foreign translation	(1,330)	81,066
Gain on disposal of property, plant and equipment	(1,507)	-
	(829,974)	(330,926)
Interest paid	(115)	(43)
Net change in non-working capital items	418,621	141,131
Cash used in operating activities	(411,468)	(189,838)

Net Loss and Loss Per Share

The basic and diluted net loss for the quarter ended August 31, 2017 totalled $989,465 ($0.012 per share), compared to $592,863 ($0.007 per share) in 2016. The increases in losses principally relate to increase in professional fees and consulting expenses that amounted to $337,382 for the reporting period.

Earnings before interest tax, depreciation and amortization ("EBITDA")

The following table sets out the Company's EBITDA loss and EBITDA loss per share:

	Three months ended August 31, 2017	Three months ended August 31, 2016
Net loss	$ (989,465)	$ (592,863)
Items not affecting cash		
Amortization and depreciation	119,111	131,486
Interest and tax expense	(415)	309
EBITDA	$ (870,769)	$ (461,068)
EBITDA loss per share	$ (0.010)	$ (0.006)

note 1: EBITDA is calculated by adding back all interest, tax, depreciation and amortization to net loss, and is further discussed in Non-IFRS Measures

SUMMARY OF QUARTERLY RESULTS AND LOSS PER SHARE

The following tables sets forth selected data derived from our unaudited condensed consolidated interim financial statements for each of the eight most recently completed quarters. This information should be read in conjunction with the applicable interim unaudited and annual audited financial statements and related notes thereto.

	4th Qtr Aug 31 '17	3rd Qtr May 31 '17	2nd Qtr Feb 28 '17	1st Qtr Nov 30'16	Annual
Fiscal 2017					
Revenue	$ 527,437	$ 525,371	$ 480,215	$ 634,517	$ 2,167,540
Net Loss	$ (989,465)	$ (922,141)	$ (930,635)	$ (867,853)	$ (3,710,094)
Basic and diluted loss per share	$ (0.012)	$ (0.011)	$ (0.011)	$ (0.010)	$ (0.045)
Common shares outstanding					
Weighted average shares outstanding	82,956,240	82,956,240	82,956,240	82,956,240	82,956,240

	4th Qtr Aug 31 '16	3rd Qtr May 31 '16	2nd Qtr Feb 28 '16	1st Qtr Nov 30'15	Annual
Fiscal 2016					
Revenue	$ 495,116	$ 794,138	$ 531,913	$ 914,631	$ 2,735,798
Net Loss	$ (592,863)	$ (662,637)	$ (808,382)	$ (698,319)	$ (2,762,201)
Basic and diluted loss per share	$ (0.007)	$ (0.008)	$ (0.010)	$ (0.008)	$ (0.033)
Common shares outstanding					
Weighted average shares outstanding	82,956,240	82,956,240	82,956,240	82,956,240	82,956,240

note 1: All amounts in Canadian dollars except share data

LIQUIDITY AND CAPITAL RESOURCES

Assets and Liabilities

Total current assets decreased by $2,473,583 to $3,773,581 from the prior year end. Of the net decrease, $3,131,746 relates to a reduction of cash resources, of which $65,585 was used for the acquisition of additional Powerwave tools, equipment and leasehold improvements, and $3,099,456 was used to fund operations.

Changes within trade and other receivables reflect timing differences in the underlying work or services being performed and the issuance of invoices and collecting of receivables, the logistics of client payable process, and our financial accounting policy of recognizing Powerwave revenues and direct costs equally over the term of the contracts. Trade and other receivables amounted to $1,125,930 (as at August 31, 2016 - $444,291), an increase of $681,639.

Non-current assets included a decrease of $446,016, of which $379,061 due to amortization, with disposals of $128,486 of property, plant and equipment (which included disposal of $64,938; transferred rental tools with a net book value of $50,605 to inventory as these assets were sold in a bundled IOR/EOR project during the fiscal year; and $12,943 due to transfers from inventory), and offset by purchases of $65,585.

Liabilities

Total liabilities increased by $477,651 from the prior year-end to $1,086,753. Of the liabilities, $436,407 relates to an increase in trade accounts payable, and $41,244 relates to a decrease in accruals (i.e., approximately $18,000 related to employee expenses, and $28,000 related to professional fees related to tax compliance) related to the Powerwave project costs, design and manufacturing of Powerwave tool inventory, sales and marketing liabilities and other various corporate services.

Liquidity

The following table presents working capital information as at August 31, 2017 and 2016:

	As at August 31, 2017	As at August 31, 2016	Change
Current assets	$ 3,773,581	$ 6,247,164	$ (2,473,583)
Current liabilities	(1,086,753)	(609,102)	(477,651)
Working capital(note 1)	$ 2,686,828	$ 5,638,062	$ (2,951,234)

note 1: Working capital is calculated by subtracting current liabilities from current assets, and is further discussed in Non-IFRS Measures

Wavefront believes that its working capital position will continue to fluctuate and that the Company's cash flow break-even will be affected by degree of commercialization and the product mixes between Powerwave well stimulation, Powerwave IOR/EOR, as well as its tubing pumps and bailer product line.

Working capital was affected by the increase in trade and other receivables that increased by $681,639. The increase in trade and other receivables of $707,811 principally relates to increases in trade receivable and accruals, net of allowances for doubtful account. Of aged trade accounts receivable outstanding as at August 31, 2017, $419,232 (or 37.2% of trade receivables) is over 120 days and principally relates to one Powerwave stimulation client's payables process that for this one year has been delayed, resulting in delayed receivable collections and an increased accounts receivable balance. Given these clients are long serving, major OFS companies and agents or distributors, with strong history of payment, Wavefront does not foresee problems with collection and anticipate being paid in the near term.

The Company did not default nor was it in arrears on any operating lease payments.

Financings

There were no financings during the reporting or the comparative period.

Capital Resources

Currently, and in addition to the Contractual Commitments (noted below), and in accordance with Wavefront's strategic plan, cash resources will be judiciously managed, and will be used for the following:

- To maintain an inventory of Powerwave tool systems and related activities; and,

- To support strategic marketing efforts related to near-term revenue generation.

There are no known trends or expected fluctuations or restrictions in Wavefront's capital resources.

As of December 14, 2017, Wavefront had $1,307,381 of cash on hand. Of the cash on hand, Wavefront has $1,156,418 in a high interest daily savings account with National Bank Financial with an interest rate of 1.20%.

Credit risk on the Term Deposits investment is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of National Bank Financial.

CONTRACTUAL COMMITMENTS

The Company has entered into long-term contractual arrangements from time-to-time for facilities, lines of credit, and the provision of goods and services. The following table presents contractual obligations arising from these arrangements currently in force:

	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Operating lease obligations	$ 1,046,293	$ 395,626	$ 560,760	$ 89,907	$ -

In a prior year, the Company entered into a new office and warehouse space for its Edmonton, Alberta facilities. The office and warehouse lease had a commencement date of February 1, 2011 and a ten year term expiring on January 31, 2021. The future commitment in base rental payments is $732,263 over the balance of the term.

As well, in a prior year, the Company entered into a new office and warehouse lease in Lloydminster, Alberta. The office lease has a commencement date of July 1, 2012 and an amended term expiring on June 30, 2019. The balance of the future commitment in base rental payments is $284,290.

The Company is presently of the opinion that its working capital position of $2,686,828 as at August 31, 2017 is sufficient to cover its current commitments and operations for the forthcoming twelve (12) months. The Company's current working capital position should be bolstered by the above noted expected US $1 million exclusive minimum licensing fee from GDMC, and the future collection of the atypical aged receivables. It is also anticipated that internally generated cash from operations will increase over the long term as Powerwave continues to be commercialized and inducements and incentives decrease. Should certain expected cash inflows not materialize in the amounts or at the times expected, or should the working capital be significantly reduced in the coming fiscal year, the Company may consider seeking additional financings or a restructuring of operations at that time. Wavefront may consider future financings based on any need to increase working capital, to finance Powerwave tools, or for additional acquisitions, and may consider debt financing of its Powerwave tools or an acquisition to better match the assets' life and revenue stream with the financing sources. Any such financing will be dependent on Wavefront's credit rating, quality of licensing contracts, etc. and other relevant financing factors.

All future expenditures and investments in capital assets and projects will be governed by the Company's working capital position throughout the year.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Expense transaction

The Company entered into a Consulting Agreement with a director of the Company to provide certain services for a monthly fee of US $5,000 per month (2016 – US $3,000). During the year, the Company recorded $79,239 (August 31, 2016 - $47,754) in consulting expense, with $nil (August 31, 2016 - $nil) included in accounts payable.

PROPOSED TRANSACTIONS

At the time of this report the Company has no undisclosed proposed transactions.

RISK AND UNCERTAINTIES

Market Acceptance –Powerwave's acceptance will be dependent on the Company consistently demonstrating the benefits of it in the field and under a variety of conditions. There can be no assurance that commercial acceptance of the Company's products and services will be achieved within a reasonable timeframe and with the financial resources available to the Company now or in the future.

Dependence on Management - The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Ability to Manage Growth - Expansion into other geographical markets and targeted growth in the Company's business has placed, and is likely to continue to place, significant strains on the Company's administrative and operational resources and increased demands on its Management, internal systems, procedures and controls. If Wavefront experiences rapid acceptance of its Technologies, the need to manage such growth will add to the demands on Wavefront's Management, resources, systems, procedures and controls. There can be no assurance that Wavefront's administrative infrastructure, systems, procedures and controls will be adequate to support Wavefront's operations or that Wavefront's officers and personnel will be able to manage any significant expansion of operations. If Wavefront is unable to manage growth effectively, Wavefront's business, operating results and financial condition will be materially adversely affected.

Key Personnel – The Company's anticipated growth and expansion into new geographic areas and, ultimately, new applications for the Technologies processes, may require additional employee expertise and may place increased demands on the Company's current resources and management with respect to recruiting, training, budgeting, scheduling, and technical skills. These demands may require the addition of new Management and technical personnel and the development of additional expertise by existing personnel. A shortage of, or failure to retain, such personnel or develop or acquire the expertise could adversely affect prospects for the Company's success.

Powerwave Technology Risks – Although the results of research, development, and field installations have demonstrated Wavefront's Powerwave technology to be viable, there is no guarantee that Powerwave will be commercially successful or be applied successfully in all cases. Although the Company believes there will be many applications for its products and services and that the anticipated market will be receptive and expand, these beliefs may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of its products. The possibility of a Powerwave project not providing the intended benefits, due to unforeseeable factors, could also impede the acceptance of the Powerwave in the market place. Any failure of the Powerwave process to generate the intended benefits even in isolated circumstances could have an adverse effect on or protracted market acceptance.

No History of Earnings - The Company is an early stage development company and does not yet have a history of earnings, profit or return on investment. There is no assurance that it will earn sufficient revenues to continue to operate as a going concern or operate profitably or provide a return on investment in the future. The Company has no intention for the foreseeable future to pay dividends.

International Business – The Company undertakes business internationally. Securing of such business introduces currency risks, credit risks, political risks and other risks inherent to conducting business internationally. There can be no assurance that steps taken by management to address these risks will eliminate all adverse affects and, accordingly, the Company may suffer losses.

Rapid Changes / Competition – Other companies have developed, and may be developing, or may commercialize alternative technologies faster than the Company. Such companies may develop products that are as, or more, effective than those developed by the Company and there can be no assurance that research and development by others will not render the Company's technologies obsolete or non-competitive.

Product Liability, Warranties and Uninsured Risks – Although the Company maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. The sale of products and services may expose the Company to warranty costs or other potential liability resulting from such use. Although product liability insurance is currently maintained, the obligation to pay a claim in excess of insurance could have a material adverse effect on the business, financial condition and future prospects of the Company. Due to the magnitude of insurance premiums and as the exposure of the Company to a catastrophic total loss of the tools is limited to certain situations, which the Company believes has a low probability of occurring, the Company has currently decided to self-insure its tools. Should a catastrophic loss of tools occur it would have a material adverse effect on the business, financial condition and future prospects of the Company.

Need For Additional Financing – The Company may require additional financing in order to make further investments in the technology or to fund unanticipated demand, to take advantage of unanticipated opportunities, to fund the tool research and development, Powerwave tool manufacturing, to fund the Company as a going concern, or to fund the Company through a protracted commercialization to profitability stage. There can be no assurance that additional financing will be available to the Company on acceptable terms or in an acceptable form, or at all. Any financing may be affected by changes in Wavefront's credit rating, general equity market conditions, the volatility of Wavefront's shares, interest rates, and valuation of available collateral. Such financing, if available, might have the effect of diluting the holdings of existing shareholders.

Patents – The Company's success will depend, in part, on its ability to enforce and defend its patents, maintain trade secret protection and operate without infringing on the proprietary rights of third parties or having third parties circumvent the Company's rights. Wavefront has received numerous patents, and is actively pursuing applications for broader international patent protection. Furthermore, there can be no assurance that others will not independently develop similar products, which duplicate any of the Company's technology or products or, if patents are issued to Wavefront, design around those patented products developed by the Company.

Reliance on Third Parties and Future Collaboration – The Company has, and is anticipated to enter into, various arrangements with agents, collaborators, licensors, licensees and others for the research, development, testing, manufacturing and marketing of its products and services. There can be no assurance that the Company will be able to establish such collaborations on favorable terms, if at all, or that its current or future collaborative arrangements will be successful.

Volatile Commodity Markets - The marketability of the Company's products and services could be affected, directly or indirectly, by significant declines in oil prices.

Government Regulations / Policy – The Company may be subject to, and adversely affected from time to time by changes in regulation and policy in the countries it is, or plans to be, operating in and such factors may create delays in project procurement and implementation that may result in the need for additional funding.

Conflicts of Interest - Directors and officers of Wavefront may serve as directors of, or have shareholdings in, other reporting or private entities. To the extent that such other companies or entities may participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The laws of Canada, applicable to the Company, provide that the directors of Wavefront must act honestly, in good faith and in the best interests of Wavefront in resolving any conflicts that may arise, and all directors of Wavefront are aware of these fiduciary responsibilities. In determining whether or not the Company will participate in a particular venture, the directors will primarily consider the degree of risk to which the Company may be exposed, its financial position at that time and, depending on the magnitude of the venture and the absence of any disinterested directors, whether or not to subject any ventures in question to the shareholders of the Company for their approval.

Environmental Matters – Currently the Company supplies and licenses oilfield and environmental remediation products and services therefore, there is the possibility that it will be subject to federal, provincial and local laws and regulations regarding the environment. The Company may be subject to counterparty liability as its technology is used to inject fluids into the ground which may cause harm or inadvertently displace a contaminant plume from one location to another. Although Management believes its safety procedures are appropriate and works under the guidance of third party consultants and contractors, the risk of offence or liability cannot be completely eliminated. Moreover, there can be no assurance that the Company will not be required to incur significant costs to comply with laws and regulations in the future. The past ownership of mineral rights however, may expose the Company to the environmental risks and liabilities associated with any other oil producer, plugging and abandonment liabilities associated with any other oil producer.

ENVIRONMENTAL RISK

The Company is engaged in the enhancing oil and gas production and groundwater remediation. The Company is committed to ensuring that all stakeholders are aware of both their responsibility for safety matters and protection of the environment and how integral those matters are to Wavefront's business. These risks are managed by executing policies and standards that are designed to comply with or exceed government regulations and industry best practices. In addition, Wavefront maintains a system, in respect of our operations, that identifies, assesses and controls safety, security and environmental risk and requires regular reporting to Senior Management and the Board of Directors. The Safety, Health and Environmental Affairs Operational Committee of the Company provides recommended environmental policies for approval by our Board and oversees compliance with government laws and regulations. Monitoring and reporting programs for environmental, health and safety performance in day-to-day operations, as well as inspections and assessments, are designed to provide assurance that environmental and regulatory standards are met. Contingency plans are in place for a timely response to an environmental event.

The Company is exposed to physical risk that may arise due to Powerwave's potential damage of well, environmental permits for Primawave projects, litigations risks related to the use of Powerwave or Primawave to inject fluids into the ground which may cause harm or inadvertently displace a contaminant plume from one location to another. These inherent risks may also create a reputational risk to the Company and its Technologies: Powerwave, Primawave and WaveAxe.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's critical accounting policies and estimates are disclosed in Note 3, "Significant Accounting Policies" and Note 5, "Critical Accounting Estimates and Judgements" of the Consolidated Financial Statements for the year ended August 31, 2017.

CHANGES IN ACCOUNTING POLICIES

The changes in accounting policies are disclosed in Note 4, "New Standards Issued But Not Yet Adopted", of the Consolidated Financial Statements for the year ended August 31, 2017.

FINANCIAL AND OTHER INSTRUMENTS

Wavefront's significant financial and other instruments consist of accounts receivable, accounts payable and accrued liabilities and interest bearing obligations such as its operating line, amounts due to shareholders, and other amounts that will result in future cash outlays.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Wavefront's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable and non-participation amounts due. Concentrations of credit risk with respect to accounts receivable are limited as the majority of transactions are with large publicly traded corporations or government organizations dispersed across geographic areas. Credit risk, with respect to accounts receivables in Canada and the United States, is also limited due to Wavefront's credit evaluation and cash management processes.

Foreign currency risk

Wavefront is exposed to currency risks as a result of its export to foreign jurisdictions of goods produced in Canada or services provided from Canada, and the operational expenses and revenue of foreign operations. These risks are partially covered by purchases of goods and services in the foreign currency. Wavefront does not use derivative instruments to reduce its exposure to foreign currency risk.

Fair value of financial instruments

The carrying value of Wavefront's financial instruments approximates their fair value. The estimated fair value approximates the amount for which the financial instruments could currently be exchanged in an arm's length transaction between willing parties who are under no compulsion to act. Certain financial instruments lack an available trading market; therefore, fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instrument.

SUPPLEMENTARY INFORMATION

SELECTED ANNUAL INFORMATION

The following is selected annual consolidated financial information from Wavefront's audited financial statements for each of the three most recently completed years ended August 31. This information should be read in conjunction with the applicable interim unaudited and annual audited financial statements and related notes thereto.

		2017		2016		2015
Revenues	$	2,167,540	$	2,735,798	$	4,460,044
Net loss	$	(3,710,094)	$	(2,762,201)	$	(8,523,865)
Basic and diluted loss per share	$	(0.04)	$	(0.03)	$	(0.10)
Weighted average number of common shares outstanding		82,956,240		82,956,240		82,956,240
Working capital	$	2,686,828	$	5,638,062	$	8,074,783
Total assets	$	5,236,484	$	8,156,083	$	10,950,305
Total long term financial liabilities	$	nil	$	nil	$	nil
Total liabilities	$	1,086,753	$	609,102	$	713,965
Shares outstanding at August 31		82,956,240		82,956,240		82,956,240

(1) In Canadian dollars, except share data

DESCRIPTION OF SHARE CAPITAL

As at August 31, 2017, Wavefront's share capital consisted of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading		82,956,240
Convertible into common shares		
Incentive stock options	4,325,000	
		4,325,000
Fully diluted share capital:		87,281,240

As at December 14, 2017, Wavefront's number of issued and outstanding shares is 82,956,240.

Market for Securities

The common shares of Wavefront Technology Solutions Inc. are listed on the TSX Venture Exchange under the symbol of WEE. The Company's shares also trade on International OTCQX under the symbol WFTSF.

Options granted during the period

The Company maintains a Stock Option Plan under which it may grant options for up to 10,771,558 shares of the Company at an exercise price not be less than the "Discounted Market Price" (as defined in the policies of the TSX Venture Exchange), provided that the exercise price shall not be less than $0.05 per share. All stock options awarded are exercisable for a period of up to ten (10) years and vest in equal tranches at three (3) month intervals over a period of eighteen months.

Date of Grant	Number of Shares	Optionee	Exercise Price	Expiry Date
January 6, 2017	75,000	Director	$ 0.35	January 6, 2027
	75,000			

Options outstanding

As at August 31, 2017			
Date Granted	**Expiry Date**	**Number of Incentive Stock Options**	**Exercise Price per Share $**
March 17, 2015	March 17, 2020	900,000	0.12
August 4, 2016	August 4, 2026	1,975,000	0.28
February 21, 2014	February 21, 2019	825,000	0.315
January 6, 2017	January 6, 2027	75,000	0.350
February 22, 2013	February 22, 2018	475,000	0.38
November 12, 2013	November 12, 2018	75,000	0.41
		4,325,000	

CONTROLS AND PROCEDURES

Under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company, as a "Venture Issuer" files on an annual basis Form 52-109FV1, the "*Certificate of annual filings – venture issuer basic certificate*" (the "**Annual Form")** which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal controls over financial reporting **("ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing the Annual Form are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and,

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

However, the Company's Management, and its certifying officers on the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that Annual Form. The Annual Form does contain representations which confirms that management has established processes, which are in place to provide the certifying officers with sufficient knowledge to support their written representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and that (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.

The Company's certifying officers of the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that certificate. However, the reader should be aware that inherent limitations on the ability of the certifying officers to design and implement, on a cost effective basis, DC&P and ICFR for the Company as defined in NI 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation, including this Management Discussion & Analysis.

FORWARD-LOOKING INFORMATION

Certain statements contained herein regarding Wavefront and its operations constitute "forward-looking statements" within the meaning of Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical or current facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations or future performance of Wavefront and or any of its subsidiaries, as described in the Management Discussion and Analysis above, are "forward-looking statements". Forward-looking information can be identified by the use of the future tense or other forward-looking words such as "believe", "expect", "anticipate", "intend", "should", "may", "could", "would", objective" "forecast", "position", "intend" or the negative of those terms or other variations of them or comparable terminology. Examples of such forward-looking information in this document include, but are not limited to statements with respect to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions that may prove to be incorrect:

- *under the heading "Outlook" the outlook for Wavefront's business and its long-term plans, including potential cash payments under the terms of the non-binding Memorandum of Understanding with GDMC, potential growth of sales in the Middle East, South and North America, and the potential necessity for further cost reductions;*

- *under the heading "Liquidity and Capital Resources", Wavefront's beliefs about its working capital position and cash flow break even and its use of cash; and*

- *under the heading "Contractual Commitments", Wavefront's beliefs about working capital sufficiency the potential receipt of payment of certain aged receivables and potential sources of financing.*

We provide this forward-looking information for Wavefront's business in order to describe the management expectations and targets by which Wavefront measures its success and to assist Wavefront shareholders in understanding Wavefront's financial position as at and for the periods ended on the dates presented in this report. Readers are cautioned that this information may not be appropriate for other purposes. ***We caution that such "forward-looking statements" involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information****. Such material factors include fluctuations in the acceptance rates of Wavefront's Powerwave and Primawave Processes, demand for products and services, fluctuations in the market for oil and gas related products and services, the ability of Wavefront to attract and maintain key personnel, technology changes, global political and economic conditions. For a more detailed description of these risks, and of other risks to which Wavefront is subject, please see the "Risks and Uncertainties", "Environmental Risk" and "Financial and Other Instruments" sections in this Management Discussion and Analysis. In determining Wavefront's forward-looking statements, Wavefront considers material factors including assumptions and expectations regarding customer demand and adoption rates for Wavefront's products; commodity prices and interest and foreign exchange rates; and the availability and cost of inputs, labour and services, patent, technology and competitive risk. Many of these factors are beyond Wavefront's control and have effects which are difficult to predict. These material risk factors and material assumptions are not intended to represent a complete list of the factors that could affect Wavefront; please see other factors that* *are described in further detail in Wavefront's continuous disclosure filings, from time to time, and available on SEDAR at www.sedar.com. Investors and the public should carefully consider these factors, other uncertainties and potential events, and the inherent uncertainty of forward-looking statements when relying on these statements to make decisions with respect to Wavefront.*

The forward-looking statements contained herein represent Wavefront's expectations at December 14, 2017, and, accordingly are subject to change after such date. Except as may be required by law, Wavefront does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time.

ADDITIONAL INFORMATION

Additional information regarding Wavefront Technology Solutions Inc. can be found on System for the Electronic Document Analysis and Retrieval ("SEDAR" at www.sedar.com).