Wavefront Technology Solutions Inc.

Quarterly Report

For the Third

Quarter ended

May 31, 2018

The following discussion and analysis of financial results should be read in conjunction with the unaudited financial statements and the accompanying notes for the quarter ended May 31, 2018 and 2017 and is based on information available to July 26, 2018. 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 unaudited financial results for the third quarter ended May 31, 2018 and 2017. 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 22). The financial information presented throughout this MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the quarter ended May 31, 2018 and 2017 as well as the consolidated financial statements for the period ended August 31, 2017 and 2016 and the related notes.

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.

The Audit Committee of the Board of Directors, whose members are independent as defined in National Instrument 52-110: Audit Committee, met to review the condensed consolidated interim financial statements with management, and has reported to the Board of Directors thereon. On the recommendation of the Audit Committee, the Board of Directors has approved the unaudited condensed consolidated interim financial statements on July 26, 2018.

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", "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;

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

- 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; 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 income (loss). EBITDA is an additional 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 global leader in the advancement of dynamic fluid injection technology for oil and gas well stimulation and Improved/Enhanced Oil ("IOR/EOR") Recovery. Wavefront's core technology, marketed under the brand name, "Powerwave™", can be viewed as industry altering and 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 for exploration and production companies ("E&P's"). Wavefront operates in the global market place dealing directly with E&P's and through an international network of distributors and agents. Powerwave is also a potential disruptive technology to OFS providers as Powerwave's benefits to E&P's has provided Wavefront distributors a competitive advantages and allows them to gain or maintain market share and sell other bundled services. Powerwave may also have the effect of reducing traditional oilfield chemicals sales volumes as the technology overcomes certain geological constraints normally requiring specialized chemicals.

Powerwave is marketed in two primary areas:

i. Well stimulation; and,

ii. 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 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.

With a focus on the Middle East region Wavefront employs both selective and exclusive distribution channels for its Powerwave technology in the international oil and gas market place. In certain jurisdictions Wavefront's international marketing partners are reputable coiled tubing OFS providers who can effectively market and deliver the value added benefits Powerwave brings to well stimulation. In other instances Wavefront retains local agents to market directly to E&P customers or undertakes all marketing and sales directly itself. In all cases Wavefront provides technical and marketing support with the goal of maximizing gross profitability on Powerwave use.

Outlook

The Company remains optimistic about future revenue generation from all regions and will continue to push its marketing agenda to bring near term revenue opportunity to fruition. To optimise technical support and equipment logistics Wavefront anticipates increasing its Middle East footprint as the Company moves into fiscal year 2019 and beyond. Foreseeable activities will have associated one-time and on-going costs which will be carefully monitored and controlled relative to regional revenue generation. While the future revenue picture appears encouraging and certain expenditures were required to bolstering Wavefront's Middle East presence, the Company will continue to be focused on overall cost discipline across all functional areas of the organization.

In Kuwait, Wavefront's distributor is Gulf Drilling and Maintenance Co. ("GDMC"). During the second quarter ended February 28, 2018 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.

In the Kingdom of Saudi Arabia ("KSA") Wavefront's distributor is National Petroleum Technology ("NPT"); a subsidiary of National Energy Services Reunited Corp. ("NESR") [NASDAQ:NESR]. In KSA, Wavefront and NPT continue to execute on a sizeable Powerwave custom stimulation campaign and anticipate further uptake of Powerwave in KSA into fiscal year 2019. To meet client technology requirements Wavefront will continue to optimize and upgrade its Powerwave systems to put both NPT and Wavefront in a better position to capture a greater market share.

The Company continues to work with National Petroleum Services also a subsidiary of NSER on the roll-out of Powerwave in Algeria, India, Qatar, and the UAE. The latter two locations remain in the infancy of marketing whilst Algeria and India have established Powerwave service agreements.

In Oman the Company's distributor, Marjan Petroleum ("Marjan"), continues to market all aspects of Powerwave to both the national oil company who has an on-going Powerwave IOR/EOR project as well as to international and locally operated E&P's. Wavefront anticipates further uptake of Powerwave custom well stimulations as positive outcomes elsewhere in the Middle East are more widely known.

While oil prices are higher and more stable the Company has not seen a return to historical activity levels in its North American markets. The Company will endeavour to increase its marketing activities in North America to increase the number of clients with the goal of increasing revenue and reducing revenue swings by relying on the activity of a limited number of clients. Wavefront anticipates an upward trajectory in revenue generation for the remainder of fiscal 2018 which, barring any unforeseen changes in the oil industry should continue into fiscal 2019.

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[1] by product line, as it believes this additional information is useful supplemental information to investors with respect to the development of the business.

[1] Gross profit margin is gross profit divided by gross revenue. Gross profit margin is a non-IFRS measure with no comparable IFRS measure.

In the third quarter 2018, Wavefront's total revenue amounted to $1,125,103, an increase of $599,732 or 114.2% over the comparative quarter. The increase in revenues over the comparative period is principally related to Middle East Powerwave stimulations, which increased by $546,007 or 332.4%. Third quarter 2018 revenues also increased over the prior quarter (i.e., the three months ended February 28, 2018) $268,470 or 31.3%. These increases are result of the Company's shift several years ago in its marketing tactics to focus on Powerwave stimulations and on the Middle East and to revenue streams that have shorter overall sales cycles and favourable profit margins. The shift in tactics has meant however less marketing focus on Powerwave IOR/EOR activities.

The increases in revenues were despite the disposition of certain assets including along with inventory at various locations related to the tubing pump and bailer cash generating unit ("CGU") and the assignment of the Lloydminster location lease effective February 28, 2018. Although the decision to dispose of the tubing pump and bailer CGU means the Company would no longer recognize revenues associated with that product line, it allows for a more focused strategy on Powerwave stimulations that have favourable profit margins.

The shift in the Powerwave product mix has also strengthened the overall gross profit margin[2] with the current quarter having an 85.2% gross profit, compared to 61.0% for the comparative quarter ended May 31, 2017. Due to the nature of operations Powerwave IOR/EOR projects tend to have lower gross profits[2], for example IOR/EOR had an approximated gross profit[2] of 47.4% for the reporting quarter, which is why the Company is focused on Powerwave stimulations. Operating expenses also been impacted by the shift in focus to Powerwave well stimulations, inclusive of the disposition of the tubing pumps and bailer CGU (see discussion below), and other expenses(i.e., not including costs of goods sold) for the third quarter ended May 31, 2018, amounted to $903,667, compared to $1,257,985 for the comparative quarter ended May 31, 2017.

The impact of the Company's strategic direction has resulted in a net income for the quarter ended May 31, 2018 of $54,383 (or net income per share of $0.001); representing a change of $976,524 over the comparative quarter's which reported net a loss of $922,141 (or net loss per share of $0.0011).

Impairment

As at May 31, 2018, the Company assessed impairment indicators for the Company's Powerwave CGU and concluded that apart from prior years' impairment indicators that no indicators of impairment were present.

Consolidated Results – nine-months ended May 31, 2018

Revenues

Revenues for the nine months ended May 31, 2018 were $2,258,403, an increase of $618,300 or 37.7% over the comparative period ended May 31, 2017 that recognized revenues of $1,640,103.

For the nine months ended May 31, 2018, Powerwave revenues related to well stimulations increased $903,529 or 90.5% to $1,901,387 compared to $997,978 in the comparative period. The increases in revenues over the comparative period principally relate to an increase of revenues of approximately $992,028 or 258.7% associated with Middle East well

[2] 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

stimulations. These increases are a result of on-going marketing efforts with distributors and agents in the Middle East and recurring purchases related to Powerwave custom stimulation programs. Powerwave stimulation revenues however, in North America, remain below historical performance decreasing by $258,435 over the comparative period to $279,989.

For the nine months ended May 31, 2018, the total revenue related to Powerwave IOR/EOR projects totalled $225,359 compared to $295,377, in the comparative period. The current fiscal year includes the commencement of one new Powerwave IOR/EOR project in Oman over the 12 month licensing term, and the sale of selective injective valves for a Powerwave IOR/EOR project and recurring Powerwave licensing revenues in Latin America (i.e., $39,167). The current Powerwave IOR/EOR project in Oman is for eight systems with an anticipated translated total net value of approximately $636,990 (i.e., translated at the current periods average exchange rate) that will be earned over the licensed term of 12 months, commencing when each individual Powerwave system is installed. This project's current period revenues however, reflect the installation of only five systems that were installed at various dates throughout the reporting period. Total expenses for the Powerwave IOR/EOR project in Oman are currently anticipated to approximate $374,789.

The reduction in IOR/EOR project revenue relates: i) to the conclusion of all prior year's international Powerwave IOR/EOR projects, and ii) the past downturn in oil pricing that saw deep capital and discretionary spending cuts in energy industry activity, especially in North America, which has delayed and lengthened the sales cycle of many IOR/EOR projects. Wavefront will continue to place a strong focus on the more immediate revenue generating opportunities through Powerwave stimulation applications that have a shorter sales cycles and healthy gross profit margins.

Geographically, $411,646 (2017 – $885,172) in revenue was generated in North America, $1,513,623 (2017 - $383,538) in the Middle East, and $333,134 (2017 - $371,393) in other geographic regions. Geographic revenues are more specifically described as follows:

North America: Revenues in North America decreased by $473,526 to $411,646 (2017 - $885,172). Powerwave stimulation revenues in North America totalled $279,989 (2017 - $538,424); Other Technology revenues totalled $35,207 (2017 - $26,772); and tubing pump and bailer revenues totalled $96,450 (2017 - $319,976).

Middle East: Revenues in the Middle East increased by $1,130,085 or 294.6% to $1,513,623 (2017 - $383,538). Powerwave stimulation revenues in the Middle East totalled $1,375,566 (2017 - $383,538); and Powerwave IOR/EOR projects revenues totalled $138,057 (2017 - $nil).

Other: Revenues outside of North America and the Middle East decreased by $38,259 to $333,134 (2017 - $371,393). Powerwave stimulation revenues internationally increased $169,816 or 223.4% to $245,832 (2017 - $76,016); and Powerwave IOR/EOR projects revenues totalled $87,302 (2017 - $295,377).

Costs of Goods Sold

IFRS cost of sales includes any sale of tools, direct labour, wage benefits and associated stock option benefits, consumable (i.e., inventory) parts, third party installation costs associated with the various product lines.

Any losses related to long-term Powerwave IOR/EOR projects are immediately recognized and have the effect of increasing direct cost for the period in which they occur or are known to occur. Wavefront personnel are involved in most IOR/EOR installation and provide the majority of consumables and modelling.

Costs of sales for the nine months ended May 31, 2018 were $401,140 or 17.8% of revenues (2017 - $586,122 or 35.7% of revenues). While costs of sale are dependent upon the product mix (i.e., Powerwave IOR/EOR; Powerwave workover and stimulation, Performance Drilling, Primawave, and tubing pumps and bailers); costs are more a function of the Wavefront's distribution channels. For the reporting period direct sales to E&P's amounted to $450,813 or 20.0% (2017 – $1,112,337 or 67.8%) of total revenues and require Wavefront tools, personnel, consumable inventory, and third parties to generate those revenues. Working through distribution partners, that are larger and entrenched OFS providers in their local markets, Wavefront sales amounted to $1,807,592 or 80.0% (2017 - $527,766 or 32.2%) of total revenues. Costs of sales related to distributors are not as great as they are limited to the provision of Powerwave tools to the distributor, technology and tools support, provision of inventory and modeling.

Costs of sales, relative to revenues, were also positively impacted by operational rights to Powerwave in Kuwait for a guaranteed minimum aggregate yearly fee that have little direct costs.

Other Expenses

Other expenses, i.e., not including costs of goods sold, for the nine months ended May 31, 2018, amounted to $3,159,415, compared to $3,815,155 in May 31, 2017. The change in expenses was principally a result of the following changes:

i) General and administrative expenses decreased by $854,076 or 28.9% (May 31, 2018 - $2,097,606; May 31, 2017 - $2,951,682). The change in general and administrative expenses was principally a result of the following:

   - Professional fees decreased by $354,372 to $272,778. The decrease of professional fees principally relates to a prior period patent law suit that Wavefront filed against Impact Technology Systems AS, American Resources Inc., and, MMB Oil, LLC (together the "Defendants"). The Company agreed to a proposed settlement of the patent law suit whereby the Defendants agreed to an injunction in specific jurisdictions not to practice until the end of the term of the patent for which Wavefront initiated the patent infringement law suit. The current period's professional fees relate to yearly compliance and audit accruals and ongoing professional advice pertaining to commercial and international operations.

   - Share based payments also decreased by $188,156 to $43,426, relates to the portion of stock options allocated to general and administrative functional expense category, and the valuation and expensing of 1,975,000 and 70,000 incentive stock options issued in the prior years to employees and insiders in the comparative period only. The future unamortized expense of all options to be allocated across functional categories approximated $53,515; which includes the expensing of 200,000 stock options recently issued to a firm the Company engaged to assist in investment relations.

- Wage and benefits expenses decreased by $164,429 to $697,031. The decrease of wage and benefit expenses principally relates to restructuring of the Company's labour force given the focus on Powerwave stimulations and the disposition of the tubing pump and bailer tools, and the allocations of fully built up wage expense to other functional expenses (i.e., to costs of goods sold, sales and marketing, or research and development, and due to how much wage is allocated to the manufacturing of new Powerwave tools). However, subsequent to the reporting period the Company hired additional personnel with the objective to restore Powerwave stimulations in the North American market, which will impact future wage and benefit expenses.

- Consulting fees decreased by $79,443 to $327,764, and principally relates to the mix in number and types of engagement of reservoir engineering consultants and representatives in Latin America and the Middle East, which saw expenses decline by approximately $96,694. Offsetting the decline in expenses were increases $31,968 social media consultants and $4,894 in the use of health and safety consultants.

- Office expenses decreased by $53,597 to $500,121. The decrease in office expenses principally relates to restructuring of the Company given the focus on Powerwave stimulations and the disposition of the tubing pump and bailer tools.

- Bad debt expenses decreased by $52,196 to $173. The decrease in bad debt expense principally relates to the specific allowance of three American based clients, two of which were in bankruptcy, in the comparative period, and lower allowances for bad debt in the current period and the partial recoveries on two of the three comparative period specific allowances in current period.

- Vehicle expenses decreased by $27,994 to $74,119. The decrease in vehicle expense principally relates given the focus on Powerwave stimulations and the disposition of the tubing pump and bailer tools, the latter of which is more field and vehicle intensive. However, subsequent to the reporting period the Company hired additional field personnel with the objective to restore Powerwave stimulations in the North American market, which will impact future vehicle expenses.

- Offsetting the above decreases, the Company had increases in repair and maintenance expenses of $31,059 to $111,523. The increase in repairs and maintenance expenses principally relate to general tool repair and maintenance that was not directly related to revenue generating jobs and such expenses are expected to decline given the disposition of the tubing pumps and bailer tools. The Company also had increases in public company and listing fees by $34,656 to $149,861. The increase in public company and listing fees principally relate to increases in listing fees, which is tied to the Company's calculated market capitalization, transfer agent and filing fees, increases in news release dissemination fees and the hiring of an external investors relation firm.

ii) Consistent with the Company's shift in focus to Powerwave stimulations that have more favourable profit margins and as a result of the growing trend of unprofitable financial results related to the tubing pump and bailer CGU, effective February 28, 2018, the Company disposed certain assets including: tubing pump and bailer tools at various locations along with certain other property plant and equipment, and inventory. Together with the disposal of property, plant and equipment, and inventory, the purchaser was also assigned and assumed the Lloydminster field office lease (together the "Disposition").

Total consideration for the Disposition was $75,000, with an offsetting recorded net loss on disposal of the property plant and equipment, and inventory of $258,017.

Summary of Disposition	Tools and equipment	Automotive and office equipment	Leasehold improvements	Total
Cost	407,714	73,803	271,728	753,245
Accumulated depreciation	(311,308)	(58,512)	(154,872)	(524,693)
Net book value	96,406	15,291	116,856	228,552
Inventory				104,465
Proceeds				(75,000)
Net loss				(258,017)

Excluding the loss on the Disposition of property, plant and equipment and inventory of $258,017, "other expenses", (i.e., also not including costs of goods sold) for the nine months ended May 31, 2018, decreased by $913,757 or 24.0% to $2,901,398, compared to $3,815,155 at May 31, 2017.

The 12 months prior to the effective date of the Disposition, the base Lloydminster rental expense amounted to $152,200, whereas base wages and field compensation paid to support the tubing pumps and bailers approximated $275,846 and employee expenses were $26,951, for a total of $454,997, not including other location related or CGU direct or indirect expenses. As a result, the Company believes that the Disposition may reduce overall future period expenses.

iii) Amortization and depreciation expense decreased by $46,491 to $213,459 from the comparative period. The lower amortization and depreciation expense is a result of prior period non-cash impairment charges.

iv) Research and development expense decreased by $43,873 to $65,048. Of the wage expense within research and development $62,239 relates to labour of the Company's physicist and reservoir engineer that support our Powerwave product line.

v) Selling and marketing expenses increased by $30,683 to $525,285. The increase principally relates to an increase of fully built up functional wage allocation of $79,413 associated with increased marketing efforts in the Middle East and North America (the later to re-establish activities to prior period levels). The increase also includes travel related expenses to the Middle East of $13,438 and marketing and advertising of $9,628. These increases were offset by decreases in meals and entertainment of $11,302; accommodation and ground transportation of $27,418, the latter principally related to the Disposition noted above; and a reduction in the allocation of stock option expense by $33,683.

Net Finance Section of Income

Interest income of $14,212 (2017 - $42,144) includes interest earned for the reporting period of $11,630 (2017 - $38,786), with the foreign exchange gain of $2,582 (2017 - $3,358). Interest earned was lower as a result of maintaining lower principal balances.

Financing cost of $5,376 (2017 - $1,599) includes interest expense only for both reporting periods. The increase in financing costs relates to a decision of the Company to maintain cash reserves and finance its insurance premiums for the fiscal year.

Operating Cash Flows

The following table sets out the cash used in operations for the nine months ended May 31, 2018 and 2017:

		As at May 31, 2018		As at May 31, 2017
Net loss	$	(1,293,316)	$	(2,720,629)
Changes to loss not including cash				
Loss (gain) on disposal of property, plant and equipment, and inventory		264,096		34,027
Amortization and depreciation		213,459		259,950
Share-based payments		50,320		295,527
Impact of foreign translation		12,513		(17,478)
Interest expense		(5,376)		(1,599)
Change in inventory		7,576		24,298
Interest paid		5,376		1,599
Change in trade and other payables		(153,469)		283,161
Change in trade and other receivables		(182,587)		(822,377)
Change in prepaid expenses and deposited		(289,106)		(24,467)
Cash used in operating activities	$	(1,370,514)	$	(2,687,988)

The Company, in addition to the loss on Disposition of property, plant and equipment and inventory of $258,017 (as noted above), incurred a loss on disposal of property, plant and equipment of $6,079 that was classified as costs of sale in the condensed consolidated interim statement of net loss.

Cash used in operating activities were negatively impacted by the net changes in non-cash working capital items (see Liquidity section below).

Net Loss and Comprehensive Loss, and Loss Per Share

The basic and diluted net loss for the nine months ended May 31, 2018 decreased by $1,427,313 to $1,293,316 (or $0.016 per share), compared to $2,720,692 (or $0.033 per share) for the comparative period ended May 31, 2017.

Excluding the loss on Disposition of property, plant and equipment and inventory of $258,017 (as noted above) the adjusted net loss[3] for the nine months ended May 31, 2018 decreased by $1,685,330 to $1,035,299 (or $0.012 per share), compared to the comparative period ended May 31, 2017.

[3] Adjusted net loss is the net loss, less the loss on disposal on property, plant and equipment, and inventory. Adjusted net loss is a non-IFRS term with no comparable measure.

The comprehensive loss of $1,270,818 for the reporting period was positively impacted by foreign translation gain of $22,498 on its foreign, wholly-owned, subsidiary in the United States. The comprehensive loss decreased by $1,432,466 from the comparative period to $2,703,284 for the comparative period ending May 31, 2017.

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

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

		As at May 31, 2018		As at May 31, 2017
Net loss	$	(1,293,316)	$	(2,720,629)
Items not affecting cash				
Amortization and depreciation		213,459		259,950
Interest and tax expense		5,391		1,599
EBITDA (loss)	$	(1,074,466)	$	(2,459,080)
EBITDA (loss) per share	$	(0.013)	$	(0.030)

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

Excluding the loss on Disposition of property, plant and equipment and inventory of $258,017 (as noted above) on the disposal of the tubing pump and bailer tools, and certain property, plant and equipment, and inventory, the adjusted EBITDA loss[4] for the nine months ended May 31, 2018 decreased by $1,642,631 or 66.8% to $816,449 ($0.010 per share).

Consolidated Results – three months ended May 31, 2018

Revenues

Revenues for the quarter ended May 31, 2018 were $1,125,103, increasing $599,732 or 114.2% over the comparative quarter ended May 31, 2017 that recognized revenues of $525,371.

For the third quarter 2018, Powerwave revenues related to well stimulations increased by $643,538 or 193.3% to $976,437, compared to $332,899 in the comparative quarter. The most dramatic impact in Powerwave stimulation revenues came from the Middle East, which increased by $546,007 or 333.4%. Again, the increases in Powerwave stimulation revenues are result of the Company's shift in focus several years ago to the Middle East and to revenue streams that have shorter overall sales cycles and favourable profit margins.

In the reporting quarter North American Powerwave stimulation revenues increased by $32,871 to $180,748 over the comparative quarter, and increased over the prior quarter (i.e., the three months ended February 28, 2018) by $125,171 or 225.2%. Overall, North American stimulation revenues have yet to approach historical norms.

[4] Adjusted EBITDA loss is adding back all interest, tax, depreciation and amortization to net loss, and adding back the loss on disposal on property, plant and equipment, and inventory. EBITDA is an additional IFRS measure with the most comparable IFRS measure being net income (loss), whereas adjusted EBITDA loss is a non-IFRS term with no comparable measure.

For the third quarter 2018, revenue related to Powerwave IOR/EOR projects totalled $130,666. IOR/EOR projects are principally outside of Canada and are denominated in United States currency. At each reporting date all foreign currency projects are re-valued and translated into Canadian currency. Current exchange rates may impact amounts of international IOR/EOR project revenue recognition.

Geographically, $198,748 (2017 – $240,585) in revenue was generated in North America, $799,203 (2017 - $163,788) in the Middle East, and $127,152 (2017 - $120,998) in other geographic regions. The geographic revenues are more specifically described as follows:

North America: Revenues in North America decreased by $41,837 to $198,748 compared to $240,585 in comparative quarter. Powerwave stimulation revenues in North America totalled $180,748 (2017 - $147,877); Other Technology revenues totalled $18,000 (2017 - $2,004); and tubing pump and bailer revenues totalled $nil due to the aforementioned disposition (2017 - $90,704).

Middle East: Revenues in the Middle East increased by $635,415 or 387.9% to $799,203 (2017 - $163,788). Powerwave stimulation revenues in the Middle East totalled $709,795 (2017 - $163,788); and Powerwave IOR/EOR projects revenues totalled $89,408 (2017 - $nil).

Other: Revenues outside of North America and the Middle East increased marginally by approximately $6,154 to $127,152 (2017 - $120,998). Powerwave stimulation revenues internationally totalled increased $64,660 to $85,894 (2017 - $21,234); and Powerwave IOR/EOR projects revenues totalled $41,258 (2017 - $99,764).

Costs of Goods Sold

Costs of sales for the third quarter ended May 31, 2018 were $166,911 or 14.8% of revenues (2017 - $204,735 or 39.0% of revenues). Costs of sales, relative to revenues, were positively impacted by operational rights to Powerwave in Kuwait for a guaranteed minimum aggregate yearly fee that have little direct costs. Costs of sales were also impacted by the Disposition of the tubing pump and bailer tools, at the prior quarter end, as that product line had one of the highest cost basis relative to its revenues.

Other Expenses

Other expenses (i.e., not including costs of goods sold) for the third quarter ended May 31, 2018, amounted to $903,667, compared to $1,257,985 for May 31, 2017. The changes in expenses were principally a result of the following:

i) General and administrative expenses decreased by $284,220 (May 31, 2018 - $669,060; May 31, 2017 - $953,280) and principally relate to the following:

   - Professional fees decreased by $69,214 to $132,734. The decrease of professional fees principally relates to a prior period patent law suit that Wavefront initiated against the aforementioned Defendants that was subsequently settled in the prior fiscal year. The current quarter's professional fees relate to yearly compliance and audit accruals and ongoing professional advice pertaining to commercial and international operations.

- Wage expense decreased by $70,967 to $201,932. The decrease of wage and benefit expenses principally relates to allocations of fully built up wage expense to other functional expenses, i.e., to costs of goods sold, sales and marketing, or research and development, and due to how much wage is allocated to the manufacturing of new Powerwave tools, inclusive of the unallocated wages of the termination of the employees associated with the Lloydminster location.

- Consulting fees decreased by $65,595 to $61,839, and principally relates to the mix in number and types of engagement of reservoir engineering consultants and representatives in Latin America and the Middle East, which saw expenses decline by approximately $63,136. In addition, consulting fees declined by $4,361 for a consultant engaged in the comparative period to assist in strategic alternatives. Offsetting the decline in expenses were increases in social media consultants.

- Office expense decreased by $39,132 to $138,523, and principally relates to the Disposition of the tubing pumps and bailer assets and the assignment of the Lloydminster office and warehouse lease.

- Share based payments decreased by $36,349 to $17,593. The decrease of share based payments relates to the valuation and near full expensing of 1,975,000 and 70,000 incentive stock options (issued in the prior year to employees and insiders) in the comparative and prior quarters. During the current quarter the Company issued 200,000 stock options to a firm the Company engaged to assist in investment relations, which had a current quarter expense of $16,723, and is the majority of the unamortized stock option expense that will be expensed over future periods.

- Vehicle expenses also decreased by $30,560 to $11,033, and principally relates to the Disposition of the tubing pumps and bailer assets and the field work related to that product line.

- Offsetting the above noted decreases, the Company had an increase in bad debt expense of $15,930 that principally relates to two specific allowances for bad debt in the current quarter.

ii) Selling and marketing expenses decreased by $29,251 to $143,240. The decrease principally relates to decreases on meals and entertainment expenses, ground transportation and the allocation of stock compensation.

iii) Amortization and depreciation expenses decreased by $21,718 to $70,855 from the comparative quarter. The decrease in amortization and depreciation expense is a result of prior period non-cash impairment charges.

iv) Research and development expense decreased by $19,129 to $20,512. Of the wage expense within research and development $19,647 relates to labour of a physicist and reservoir engineer that support the Company's Powerwave product line. Wage expense decreasing by $12,450 as less reservoir engineering research was undertaken. Tool and other research have been managed such that resources are focused on more near term revenues.

Net Finance Section of Income

Interest income of $3,860 (2017 - $15,486) includes interest earned for the reporting quarter of $3,860 (2017 - $11,303), and foreign exchange gain of $4,183 in the comparative reporting quarter only.

Financing cost of $4,002 (2017 - $278) includes interest expense for the reporting quarter of $1,349 (2017 - $278), with a foreign exchange loss $2,653 in the current reporting quarter only.

Operating Cash Flows

The following table sets out the cash used in operations for the third quarter ended May 31, 2018 and 2017:

		As at May 31, 2018		As at May 31, 2017
Net Income (loss)	$	54,383	$	(922,141)
Changes to loss not including cash				
Amortization and depreciation		70,855		92,573
Share-based payments		17,593		65,438
Impact of foreign translation		4,289		(15,933)
Loss on disposal of property, plant and equipment		4,011		35,043
Interest expense		(1,349)		(278)
Change in trade and other payables		138,162		(239,346)
Change in prepaid expenses and deposits		47,851		72,892
Interest paid		1,349		278
Change in inventory		(7,654)		17,486
Change in trade and other receivables		(266,203)		(201,488)
Cash from (used) in operating activities	$	63,287	$	(1,095,476)

The net change in cash from (used in) operating activities from the prior quarter (i.e., cash used in operating activities for the three months ended February 28, 2018 of $666,167) was $729,454.

Cash used in operating activities has also been negatively impacted by net changes in working capital items (see Liquidity section below).

Net Income (Loss) and Comprehensive Income (Loss), and Income (Loss) Per Share

The basic and diluted net income for the quarter ended May 31, 2018 was $54,383 (or $0.001 income per share), a positive net change of $976,524 from the comparative quarter ended May 31, 2017 which reported a net loss of $922,141 (or $0.011 loss per share).

The comprehensive income of $63,226 was positively impacted by foreign translation gain of $8,843 on its foreign, wholly owned, subsidiary in the United States versus the reported comprehensive loss of $912,141 reported in the comparative reporting quarter ended May 31, 2017.

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 May 31, 2018		As at February 28, 2017
Net Income (loss)	$	54,383	$	(922,141)
Items not affecting cash				
Amortization and depreciation		70,855		92,573
Interest and tax expense		1,349		90
EBITDA (loss)	$	126,587	$	(829,478)
EBITDA (loss) per share	$	0.002	$	(0.010)

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

LIQUIDITY AND CAPITAL RESOURCES

Assets and Liabilities

Total current assets decreased by $968,914 to $2,804,667 from the prior year end. Of the net decrease, $1,403,566 relates to a reduction of cash resources, of which $64,780 was used for the acquisition of additional Powerwave tools, equipment, and $1,370,514 was used to fund operations (inclusive of the $104,465 in inventory that was sold due to the Disposition).

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 $1,383,517 (as at August 31, 2017 - $1,125,930).

Property, plant and equipment included a decrease of $381,553, of which $234,631 relates to net losses on the sale of property, plant and equipment, $213,459 due to amortization, and $64,780 in asset purchases and $1,757 in foreign exchange gains. Within the Disposition $228,552 in property, plant and equipment was sold, $104,465 related to sale of inventory, which was offset by $75,000 for proceeds.

Liabilities

Total liabilities decreased by $153,469 from the prior year-end to $933,284. Of the changes in liabilities, $375,223 relates to a decrease in trade accounts payable, which was offset by $20,718 relating to an increase in employee expenses and entitlements, and $198,247 relating to increases in trade accruals.

Liquidity

The following table presents working capital information as at May 31, 2018 and August 31, 2017:

	As at May 31, 2018	As at August 31, 2017	Change
Current assets	2,804,667	3,773,581	(968,914)
Current liabilities	(933,284)	(1,086,753)	153,469
Working capital[note 1]	1,871,383	2,686,828	(815,445)

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

There was an increase of $110,537 in net change in working capital from the prior quarter (i.e., the working capital as at February 28, 2018 of $1,760,846). Working capital will also be positively impacted by the increase in cash and cash equivalents associated with the closing, subsequent to the reporting period, of the non-brokered private placement which resulted in gross proceeds of $1,302,400.

Wavefront believes that its working capital position will continue to fluctuate and that the Company's cash flow will be affected by the degree of Powerwave commercialization and the product mixes between Powerwave well stimulation and Powerwave IOR/EOR product lines.

Working capital was affected by an increase of $289,106 in prepaid expenses and other current assets, of which $287,317 in prepaid expenses related to the Powerwave IOR/EOR project in Oman. The prepaid expenses for the Powerwave IOR/EOR project in Oman will decline as the expenses are recognized over the 12 month licensing term. The Oman IOR/EOR project saw five of the eight contracted systems installed in December 2017. Offsetting the aforementioned increase in prepaid expenses related to the Oman IOR/EOR project, prepaid expenses declined as the Company decided to preserve cash and finance its insurance premiums this fiscal year versus prepaying the premiums at the beginning of the fiscal year.

Working capital was also affected by trade accounts payable decrease by $153,469 to $933,284, principally related to a trade payable accrual of $93,131 related to a prior period patent law suit that Wavefront initiated against the aforementioned Defendants. Trade accounts receivable and other receivables however increased by $257,587 to $1,383,517 as a result of increased sales, which were affected by a change in foreign exchange rate on US denominated receivable. The ongoing delay in collection of the $541,130 in trade receivables over 120 days (see discussion immediately below) has also impacted working capital.

The maximum exposure to credit risk at the reporting date by geographic region was:

	May 31, 2018	August 31, 2017
North America	$ 670,845	$ 735,820
Middle East	458,089	302,040
Other	254,583	88,070
	$ 1,383,517	$ 1,125,930

Of the Company's cash, receivables and payables denominated in US dollars, the net exposure is $1,108,067 due to higher cash and trade receivables balances being denominated in US dollars. The Company's foreign currency exposure, with other variables unchanged, and a 5% change in the Canadian dollar against the US dollar as at May 31, 2018, may impact on comprehensive net loss by $55,403.

Of aged trade accounts receivable outstanding as at May 31, 2018, $541,130 (or 39.1% of trade and other receivables) is over 120 days with $437,578 relating to a group of Powerwave stimulation projects earlier in the fiscal year with one client, who's payables process for a certain batch of invoices has been delayed, resulting in delayed receivable collections and an increased accounts receivable balance. Given this is a long serving client; all its other Powerwave stimulations invoices are current; is a major E&P; and, has a strong history of payment with the Company, Wavefront, at present, does not foresee problems with collection and is working with the client to receive payment in the near term.

During the period ended May 31, 2018, the Company recorded revenue from 22 customers (2017 - 29 customers). Sales in the period ended May 31, 2018 from the top three customers, and the Company's economic dependence, amounted to $865,709, $546,184 and $185,133 which represented 38.3%, 24.2% and 8.2% respectively, of total revenue. Sales in the period ended May 31, 2017, from the top three customers amounted to $484,581, $226,130 and $180,393 which represented 29.6%, 13.8% and 11.0% respectively, of total revenue.

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 quarter.

Subsequent to the reporting period, effective July 17, 2018, the Company however, closed a non-brokered private placement for gross proceeds of $1,302,400 through the issuance of 4,341,333 units of the Company at a price of $0.30 per unit (the "Unit"). Each Unit will consist of one common share in the share capital of the Company, and one common share purchase warrant (a "Warrant"), with each Warrant being exercisable for one common share of the Company at an exercise price of $0.45 for a period of 12 months after the closing date; provided that, commencing on the date that is four months and one day after the closing of the Offering, if the volume weighted average trading price of a common share on the Exchange is at a price equal to or greater than $0.65 for a period of more than 20 consecutive trading days.

A finder's fee of 7% cash totaling $46,683 and the issuance of 155,610 Warrants of the Company were paid on portions of the private placement.

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, however 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 July 26, 2018, Wavefront had $2,523,709 of cash and cash equivalents on hand. Of the cash on hand, Wavefront has $772,871 is in a high interest daily savings account with National Bank Financial with an interest rate of 1.20%. The cash and cash equivalents on hand as at July 26, 2018 increased by $1,505,719 since the end of the second quarter ending February 28, 2018.

Credit risk of any deposits is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of National Bank Financial.

For the period ending May 31, 2018, the Company had yet to achieve profitable operations, had an accumulated deficit of $73,494,550 (August 31, 2017 - $72,201,234) for the nine months ended May 31, 2018, and recognized a net decrease in cash and cash equivalents of $1,403,566 (May 31, 2017 - $2,659,769). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. The lack of profitable operations and continuing decreases in cash and cash equivalents may cast significant doubt on the Company's ability to continue as a going concern.

The ability to continue as a going concern is dependent on collection the aforementioned receivables, equity or debt financings and / or generating profitable operations in the future in order to meet liabilities as the come due and enable the Company to continue operations. The ability to continue as a going concern may also be adversely impacted by customer technology adaptation rates, sales cycles, the loss of customers and sales per customer. The outcome of such matters cannot be predicted at this time.

Although the Company has and is evaluating financings, 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.

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	$ 768,838	$ 396,166	$ 336,710	$ 35,962	$ -

note 1: Included in the contractual commitments are future commitments in base rental lease payments related to the Lloydminster office and warehouse. Given the Disposition (as noted above), excluding the base rental lease payments related to the Lloydminster office and warehouse the total payments due would be $599,524, with $239,896 due within one year, $323,665 due within one to three years, and $35,963 due within three to five years.

In a prior year, the Company entered into a new office and warehouse lease for its Edmonton, Alberta operations. 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 $573,228 over the balance of the term.

As well, in a prior year, the Company entered into an 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 $169,315. The Lloydminster office and warehouse lease has been as assigned and assumed by the tubing pump and bailer asset purchaser.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Expense transaction

In a prior year 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. During the three and nine months ended May 31, 2018, the Company recorded $19,269 (May 31, 2017 – $20,220) and $56,996 (May 31, 2017 – $59,949) respectively in consulting expense, with $nil (August 31, 2017 - $nil) included in accounts payable and accrued liabilities.

PROPOSED TRANSACTIONS

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

RISK AND UNCERTAINTIES

Other than the below noted the Company's business risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2017.

Need For Additional Financing and Going Concern – The Company has yet to achieve profitable operations and the Company's continuing decrease in cash and cash equivalents has given rise to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to obtain profitability and positive cash flows, or to obtain additional financing to meet its obligations as they come due. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. To the extent the Company requires additional financing in order to continue as a going concern, to make further investments in the technology, to fund unanticipated demand, to take advantage of unanticipated opportunities, to fund the Powerwave tool research and development and manufacturing, or to fund the Company through a protracted commercialization to profitability stage, there can be no assurance that such additional financing will be available to the Company on acceptable terms, 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.

ENVIRONMENTAL RISK

The Company's environmental risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2017.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's critical accounting policies and estimates are the same as disclosed in its annual MD&A issued for the year ended August 31, 2017.

CHANGES IN ACCOUNTING POLICIES

The changes in accounting policies are disclosed in Note 2, "*Statement of Compliance and Going Concern*", of the Unaudited Interim Condensed Consolidated Financial Statements for the quarter ended May 31, 2018.

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, 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. Concentrations of credit risk with respect to larger accounts receivable amounts or balances are limited as a majority of these transactions are with large corporations, a majority of which are publicly traded, or government organizations dispersed across geographic areas. Credit risk, with respect to accounts receivables may be mitigated by 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

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.

	3rd Qtr May 31 '18	2nd Qtr Feb 28 '18	1st Qtr Nov 30 '17	4th Qtr Aug 31 '17
Revenue	$ 1,125,103	$ 856,663	$ 276,667	$ 527,437
Net Income (Loss)	$ 54,383	$ (511,095)	$ (836,603)	$ (989,465)
Basic and diluted income (loss) per share	$ 0.001	$ (0.006)	$ (0.010)	$ (0.012)
Common shares outstanding				
Weighted average shares outstanding	82,966,588	82,958,312	82,956,240	82,956,240

	3rd Qtr May 31 '17	2nd Qtr Feb 28 '17	1st Qtr Nov 30 '16	4th Qtr Aug 31 '16
Revenue	$ 525,371	$ 480,215	$ 634,517	$ 495,116
Net Loss	$ (922,141)	$ (930,635)	$ (867,853)	$ (592,863)
Basic and diluted loss per share	$ (0.011)	$ (0.011)	$ (0.010)	$ (0.007)
Common shares outstanding				
Weighted average shares outstanding	82,956,240	82,956,240	82,956,240	82,956,240

DESCRIPTION OF SHARE CAPITAL

As at May 31, 2018, Wavefront's share capital consisted of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading		83,031,240
Convertible into common shares		
Incentive stock options	3,900,000	
		3,900,000
Fully diluted share capital:		86,931,240

Subsequent to the reporting period ended May 31, 2018, the Company issued of 4,341,333 common shares and 4,496,943 share purchase warrants by way of a non-brokered private placement. As a result of the non-brokered private placement, as at July 26, 2017, Wavefront's number of issued and outstanding shares is 87,372,573, and fully diluted is 91,869,517.

In connection with the share issuance in the non-brokered private placement the Company also issued 4,341,333 Warrants, with each Warrant being exercisable for one common share of the Company at an exercise price of $0.45 for a period of 12 months after the closing date of July 17, 2108; provided that, commencing on the date that is four months and one day after the closing of the Offering, if the volume weighted average trading price of a common share on the Exchange is at a price equal to or greater than $0.65 for a period of more than 20 consecutive trading days. A component of the finder's fee involved the issuance of 155,610 Warrants of the Company was paid on portions of the private placement. As a result, as at July 26, 2018, the Company has 4,496,943 Warrants outstanding, exercisable at $0.45 that are set to expire on July 17, 2019 subject to the aforementioned acceleration clause.

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 quarter

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 equal to or greater than the market price of the Company's stock at the date of grant. All stock options awarded are exercisable for a period of ten years and vest, at a minimum, in equal tranches at three month intervals over a period of eighteen months.

Date of Grant	Number of Shares	Optionee		Exercise Price	Expiry Date
April 10, 2018	200,000	IR Consultant	$	0.46	April 10, 2028
	200,000				

Options outstanding

As at May 31, 2018

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	1,900,000	0.28
February 21, 2014	February 21, 2019	825,000	0.315
January 6, 2017	January 6, 2027	75,000	0.35
April 10, 2018	April 10, 2028	200,000	0.46
		3,900,000	

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 IFRS.

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 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 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 July 26, 2018, 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).