Wavefront Technology Solutions Inc.

Quarterly Report

for the

Period ended

May 31, 2011

The following discussion and analysis of financial results should be read in conjunction with the interim financial statements and the accompanying notes for the period ended May 31, 2011 and is based on information available to July 25, 2011. Additional information on Wavefront Technology Solutions Inc.'s (the "Corporation" or "Wavefront") is available on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be made part of this Management's Discussion and Analysis.

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

MANAGEMENT'S RESPONSIBILITY

This Management's Discussion and Analysis of Wavefront Technology Solutions Inc.'s ("Wavefront" or "the Corporation") for the quarter ended May 31, 2011, should be read in conjunction with the Corporation's unaudited interim consolidated financial statements and related notes for the quarter ended May 31, 2011, and the Management's Discussion and Analysis and audited consolidated financial statements and related notes thereto included for the year ended August 31, 2010. Unless otherwise indicated, all amounts shown below are in Canadian dollars and use the same accounting policies as set out in the financial statements of the Corporation for the year ended August 31, 2010.

The Management of the Corporation is responsible for the accuracy of the information disclosed in the Management Discussion and Analysis. The interim and annual Management Discussion and Analysis of Financial Condition and Results of Operations are also reviewed and approved by the Audit Committee of the Corporation's Board of Directors. This Management Discussion and Analysis of Financial Condition and Results of Operations are based on information available to July 25, 2011.

NON-GAAP MEASURES

Included in the Management Discussion and Analysis are terms, such as, "gross margin", and "working capital" that are not defined by Generally Accepted Accounting Principles ("GAAP") in Canada and consequently are referred to as non-GAAP measures. Reported amounts may not be comparable to similarly titled measures reported by other companies.

OVERVIEW OF BUSINESS

Wavefront specializes in designing and developing leading-edge techniques for oil well stimulation, secondary oil recovery and environmental groundwater remediation.

The Corporation pioneered the development of a unique technology that generates powerful fluid pulses to momentarily expand the pore structure of rock and soil, which dramatically improves fluid flow in the ground (Figure 1). This pressure-pulse technology creates highly uniform waves of fluid to "push" oil to extraction wells or distribute treatment chemicals to be in better contact with contaminants. The patented fluid flow process is applicable to all fluid injection and is marketed in the energy sector as Powerwave™ and in the environmental sector as Primawave™ (collectively known as the "Technology"). Powerwave and Primawave are practiced using a plurality of tools, which are ancillary to the process.

The Corporation's business model is to create a recurring revenue stream by licensing its Technology to clients for fixed durations. In licensing the Technology, the Corporation provides clients a Powerwave or Primawave system to carry out the licensed process. As such the Corporation capitalizes Powerwave and Primawave systems. As the value proposition to the client is in the process, at no time are the Corporation's systems transferred or otherwise sold to third parties.

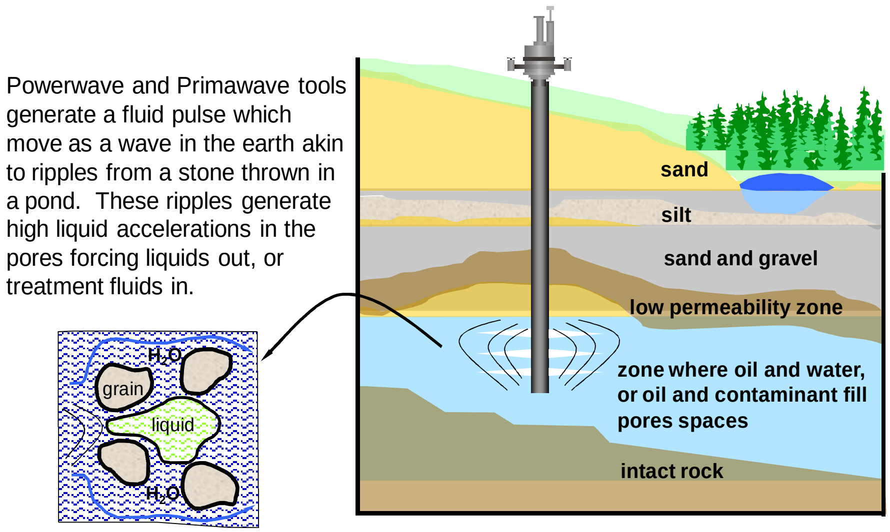

Figure 1: What Powerwave and Primawave Tools Accomplish in the Ground

Powerwave

There are two primary uses of Powerwave in the oil sector. The first is enhanced or improved oil recovery. These long term approaches involve the injection of water or CO_2 (or other fluids) into the reservoir through dedicated wells to displace by-passed oil. The injected fluid 'sweep' or 'push' by-passed oil to production wells. Based on historical field results Figure 2 shows what the client can expect from deploying Powerwave.

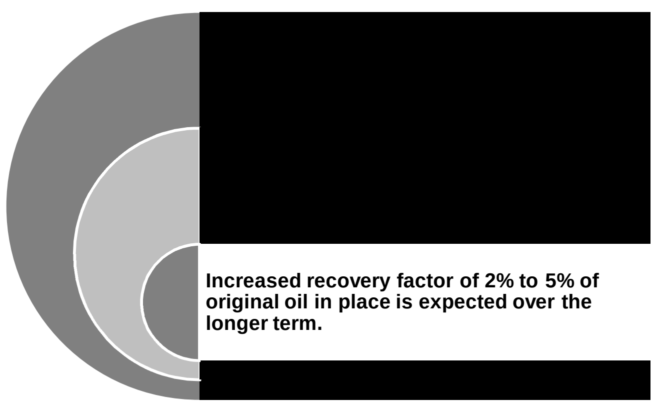

Figure 2: Powerwave Project Expectations

The second use of Powerwave is in oil well workovers or stimulations. An oil well workover is a remedial operation performed on an injection, disposal, or producing well in order to restore near well bore permeability to enhance flow. Every newly drilled well or existing well is a candidate for stimulation during the wells active life. Compared to other stimulation approaches such as fluidic oscillators, high pressure injection, and acoustic approaches Powerwave has shown to achieve deeper penetration and more uniform distribution of injected liquids. Well workovers or stimulations can be completed in hours or days.

Primawave

Primawave is a highly effective method for introducing treatment remedies into contaminated underground sites.

The primary remedial approach used in the industry is the in-situ (or in-ground) treatment. This approach consists of some form of remedial fluid combined with a mechanical method of delivering the treatment fluid to the contaminant. In-situ methods are short in duration and can last hours to days per injection site.

OVERALL RESULTS FROM OPERATIONS

Currently the Corporation manages its business and reporting structure on a consolidated basis, as such, it does not discuss its operational results on a segmented basis.

In the energy sector, the basic monthly license fee for enhanced or secondary (i.e., water or CO_2 flooding) Powerwave projects is $6,000 per system, minus any applicable discounts which may include partially discounted periods. The typical minimum term for enhanced or secondary recovery projects is a twelve (12) month term. It is important to note that the Corporation has no control over when a client will deploy a Powerwave system, which may affect when revenue commences. In many cases the decision to deploy is based on service rig availability and scheduling. In an operating oilfield, maintaining production and producing wells take precedent therefore, if a producing well requires servicing it will be placed first on the schedule thus pushing back any other contemplated work on injection wells. Because the Corporation does not control installation timing, the Corporation has historically experienced extremely long periods between contract executions to Powerwave implementation resulting in a backlog of installations which in turn adversely affects revenue. With positive Powerwave results in multiple projects and the technology gaining greater acceptance, the Corporation has moved to a model where the client agrees to take delivery of Powerwave systems and be invoiced for the licensing fees ninety (90) days from the execution date of a license agreement.

The Corporation's efforts to commercialize its Powerwave and Primawave technologies originated with trying to create demand and overcome technical scepticism and business model understanding. Although we are overcoming the technical scepticism which slows the sales cycle in certain instances, it is believed that the Corporation has moved to a more commercial stage, responding to potential client interest from many points across the globe. The Corporation has also recently experienced clients visiting its facilities to enhance their knowledge of the Corporation, Powerwave, Powerwave tool operation, and for collaborative well site selection.

Advances in the commercialization of the Technology are also seen in the shift of the Corporation's product mix from the tubing pump and bailers to Powerwave and Primawave applications As illustrated in Figure 3, below, gross quarterly revenues for May 31, 2009 for tubing pumps and bailers comprised approximately 61% of service revenues and royalties; whereas in the current reporting period, gross quarterly revenues for Powerwave and Primawave now comprise approximately 52% of service revenues and royalties. This change underscores the shift from the Corporation trying to create demand to respond to the demand of the Technologies.

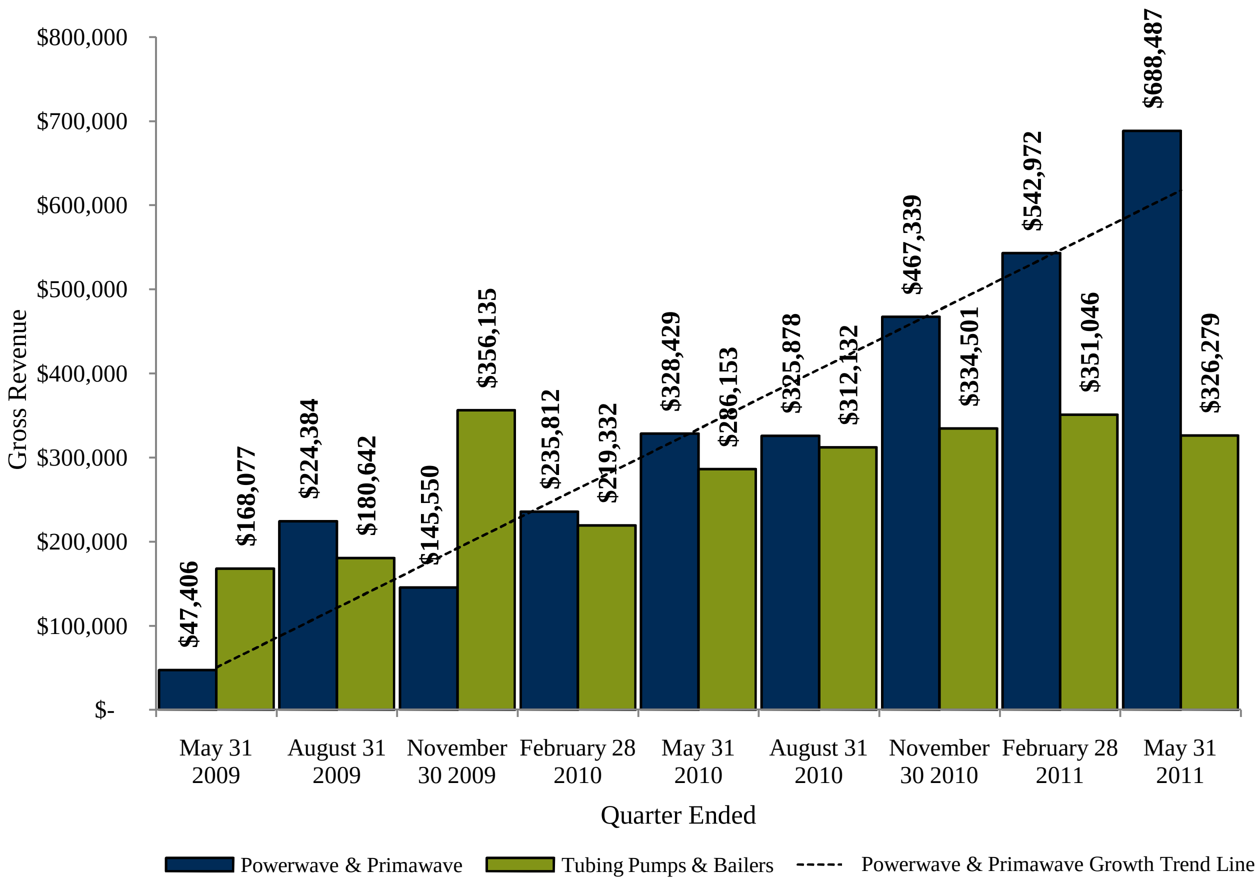

Figure 3: Quarterly Gross Revenue Product Mix for Periods Ending May 2009 to May 2011

Concurrent with the shift in the Corporation's product mix has been an increase in the number of customers from 38 customers in May 31, 2009 to 53 in the current reporting period.

The reporting quarter also saw the results of previous international marketing efforts and growing demand as the Corporation announced that it had secured international Powerwave clients in Oman and Argentina (Pluspetrol). These international additions are very significant opportunities for the Corporation as it moves to establish its international footprint. Also during the reporting period, Pemex, the Mexican national oil producer, who the Corporation has been finalizing Powerwave contractual details with for an extended period commenced the planning of two waterflooding projects, and requested Wavefront assist in those designs with the intent of implementing Powerwave on the waterfloods start-up. The Corporation is continuing to work with Pemex to finalize such details as well as execute individual contracts related to the outstanding Letter of Intent.

Over the past three years, the Corporation has seen its customer base increase and the use of Powerwave and Primawave by its customers increase across existing oilfields and into new oilfields. This is reflected in the Corporation's quarterly total gross revenue growth as shown in the Figure 4, below.

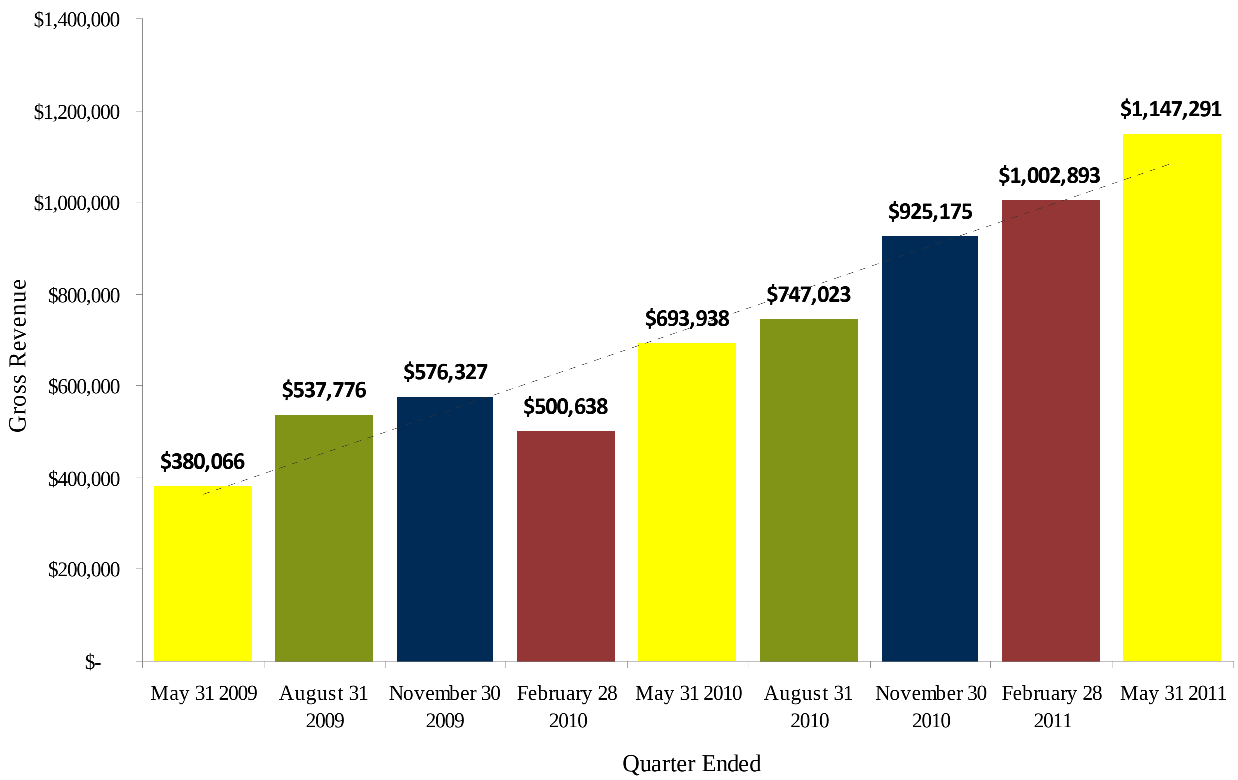

Figure 4: Quarterly Gross Revenue Comparison Periods Ending May 2009 to May 2011

Figure 4 represents a compounded annual growth rate of gross revenues of 73.7% over the period of May 31, 2009 to May 31, 2011.

During the reporting quarter, and in connection with the Eastern Alberta Powerwave client's expansion, the Corporation saw the commencement of installations of 31 Powerwave tools that positively impacted revenue. It is believed that the commencement of the new installations will send a strong signal to other oil producers that Powerwave can get more oil out of their existing operations. The Corporation is still working with the client on the finalization of the balance of the planned expansion.

Though revenue continued to grow during the period, there continued to be a backlog of pending Alberta Powerwave installations as well as bailer rentals used in the drilling process that were affected by the prolonged spring break-up period where road bans were applied to heavy trucks. The Corporation anticipates that with the summer weather it will be active in addressing pending Alberta Powerwave installations as well as those elsewhere.

Subsequent to the reporting quarter, the Corporation received a master service agreement from an existing Texas client to expand Powerwave implementation to its light-oil waterflood operations in Lost Hills, California. The Lost Hills project is designed to use Powerwave to reduce production decline rate, extend field life, and increase oil recovery factor. Given geological complexity well density is high with well spacing in the Lost Hills production areas ranging from 1.25 acres to 5 acres thus presenting a large opportunity for the Corporation in both Powerwave stimulation as well as waterflooding programs.

It is believed that for technology adaptation in the energy sector, the key factor for accelerated growth is delivering results. Powerwave projects in the enhanced and secondary oil recovery continue to show strong positive results for clients. Backed with these mounting positive results, the Corporation is aggressively pursuing the expansion of existing Powerwave projects in which the Corporation is currently operating as well as pushing to move into new assets of those clients.

To meet forecasted demand and to develop new market opportunities, during the reporting quarter the Corporation hired a senior sales manager from Baker Hughes Reservoir Development Services. The Corporation also, during the reporting quarter, relocated its corporate and main warehouse facilities in Edmonton, Alberta closer to the energy services cluster in southwest Edmonton. The new Edmonton facilities are more streamlined, facilitating assembly and testing. Capacity of the assembly and testing stations are now four times larger than the warehouse previously occupied.

As the Corporation continues to increase revenue through a diversification of its current customer base and the expansion of current projects, there has been a focus on operational excellence both on delivering its products and services and through tool design and operations. The continued development of the Corporation's Powerwave tools has generated greater confidence in the delivery of the process and decreased re-installation charges that should bolster a positive customer experience. Currently the Corporation has a suite of one electrical and three mechanical Powerwave tools and two Primawave tools. The Corporation will continue to improve its suite of tools to open a wider range of well configurations (i.e. multiple tool deployments in complex well completions), decrease installation / demobilization costs as well as allowing the implementation of Powerwave across a wider range of geological environments.

Consolidated Results – nine months ended May 31, 2011

Revenues

Revenues for the period ended May 31, 2011 were $3,075,359, an increase of $1,304,456 over the comparative period in 2010 that recognized revenues of $1,770,903. Service revenues and royalties totalled $2,710,624, compared to revenues of $1,571,411 for the comparative period.

The approximate 74% increase service revenues and royalties is principally a reflection of the continued advancement of the commercialization of Powerwave and Primawave technologies. The majority of this revenue relates to the use of Powerwave in secondary oil recovery and involves longer term contracts (i.e., $1,501,745 in revenue for May 31, 2011 compared to $613,277 in the comparative period, a 145% increase is Powerwave revenue increase). The increase in the longer-term Powerwave revenue relates to an increase in the number of contracts entered into, increases in installations, and reductions in discounts and incentives. For the reporting period, revenue related to Powerwave for secondary oil recovery applications was split $1,208,794 in Canada and $292,951 in United States. It is anticipated that the increases in Powerwave licensing will continue for future reporting periods.

Based on positive Powerwave field results, the Corporation has initiated a more aggressive approach in its billing policies, and has moved to bill its Powerwave licensing fees related to secondary oil recovery projects, ninety (90) days after contract execution. These Powerwave licensing terms involve a minimum twelve (12) month term. Revenue recognition will remain dependant however, when the end user or client can enjoy the benefits of using Powerwave.

When the Corporation provides installations, as an inducement or for a fee, the revenue and associated expense is also recognized over the term of the contract.

With increased revenues and Technology demand, the Corporation has been reducing discounts offered and eliminating inducements. Contracts with deeper discounts and inducements continue to expire, which the Corporation believes will lead to increased service and royalty revenues.

In the oil sector, inducements were based on the contract terms and the potential number of Powerwave systems that could be installed in a particular oilfield or with a particular client. As inducements of reduced licensing fees expire and number of installations increase, the Corporation anticipates Powerwave revenues to continue to grow. Further, as customers experience positive Powerwave benefits, i.e., increased oil production or decreased oil production decline rate, the Corporation believes that its immediate Powerwave expansion opportunities are in existing client projects and into other oilfields that the client owns or operates.

Embedded in the tubing pump product line is the same intellectual property that forms the basis for Powerwave and Primawave technologies. The tubing pump and bailer product line's revenue totalled $964,100, an increase of $124,980 from $839,120 recorded in the comparative period in 2010. The relative constant revenue in tubing pump and bailer product line reflects the established relationships the Corporation has with the major clients in the heavy oil sector of the Western Canadian Sedimentary Basin.

Primawave revenues totalled $179,147 for the reporting period, an increase of $99,376 over $79,771 from the comparative period. The Corporation's Primawave customers are typically environmental consultants and contractors that re-sell the Corporation's Primawave technology to responsible parties in an effort to expedite groundwater remediation approaches. Primawave revenues comprise of a licensing and tool rental fee and primarily relate to shorter term in-situ remediation work.

During the reporting period ended May 31, 2011 the Corporation also recognized production and operator revenues of $168,480 (2010 - $124,323) related to the Rogers County and Rodney South ventures. Of the production and operator revenues recognized, $102,554 (2010 - $44,966) relates to the Rodney South venture, whereas $65,926 (2010 - $79,357) relates to the Rogers County venture.

Interest and other revenues for the reporting period increased to $196,255 compared to $75,169 for the comparative period. The increase of $121,086 relates to the higher interest rates and principal balances being invested over the reporting period. The higher principal balances resulted from the April 26, 2010 brokered private placement.

Geographically, $2,528,161 (2010 – $1,375,434) in revenue was generated in Canada and $547,198 (2010 - $395,469) from the United States.

Direct Expenses

Direct expenses relate to the delivery and installation of tubing pump, bailer and surge cup rentals. Direct expenses related to Powerwave and Primawave include any installation, service work and demobilization costs. Any losses related to long-term projects are immediately recognized and have the effect of increasing direct costs for the period in which they occur or are known to occur.

Direct expenses decreased to $687,526 (or 25.5% of gross services and royalty revenue) compared to $856,848 (or 54% of gross service and royalty revenues) for the comparative reporting period as more fully discussed below. As the

Corporation reduces incentives and charges for all installation costs, it is expected that gross margins (i.e., gross revenue less direct costs) will increase accordingly.

In certain instances clients have requested the presence of the Corporation's technical staff for Technology implementation. Historically, the Corporation has not always charged for such services however, moving forward, in all instances the Corporation will charge for such services. Direct expenses related to the tubing pumps, bailer and surge cup rentals include project consumables and labour and are expected to remain constant.

Other Expenses

Other expenses for the period amounted to $5,664,702, compared to $5,831,862 in 2010. The decrease in these expenses of $167,160 was principally a result of the following changes:

i) In the comparative reporting period mineral right leases associated with the Texas oilfields in Young and Taylor County expired. Ownership of the oilfields was not viewed as core to the Corporation's strategy; as a result, the Corporation did not renegotiate any further terms nor enter into any subsequent agreements, and recorded a full write-down of the carrying value of these oilfields of $217,505. No write-downs related to oilfield assets were identified in the current reporting period.

ii) An increase in stock compensation of $135,886 to $472,200 principally attributed to the issuance of 1,020,000 incentive stock options during the nine months ended May 31, 2011 (see note 8 to the interim financial statements for the quarter ended May 31, 2011 for further discussion).

iii) A decrease in "listing and public company fees" of $62,916 to $117,412 principally related to a reduction of board fees paid in the current period of $11,000, lower costs associated with external media communications of $18,861, and $16,000 decrease in costs associated with the Annual General Meeting.

iv) A decrease of $43,818 in "research and development" expenses related to a recovery of costs of $53,000 from an approved application via the Scientific Research and Experimental Development tax incentive program offered by the province of Alberta.

v) An increase in "amortization, depreciation, depletion and accretion" expenses of $31,783. Of the $698,519 in amortization, depreciation, depletion and accretion expenses, $401,072 relates to property, plant and equipment associated with Powerwave and Primawave. The increase relates to the Corporation maintaining a larger inventory of Powerwave and Primawave tools to meet grow customer demand.

vi) General and administrative during the period increased by $24,693. The following table provides comparative details for the general and administrative expenses:

	Nine months ended May 31, 2011 $	Nine months ended May 31, 2010 $
Wages and employee benefits	**1,708,342**	1,602,261
Office	**608,837**	467,949
Professional fees	**387,496**	603,547
Consultant fees	**299,714**	285,248
Repairs and maintenance	**241,371**	179,294

Vehicle	**151,877**	145,873
Bad debts	**1,679**	90,810
Miscellaneous	**6,644**	6,284
	3,405,960	3,381,266

The changes in general and administrative expenses primarily related to the following:

- A decrease in "professional fees" of $216,051 to $387,496 from the comparative period amount of $603,547, principally related to work, which occurred in the first six months of the comparative period, that involved the Corporation preparing for the adoption of International Financial Reporting Standards ("IFRS"), also see Changes in Accounting Policies, page 19, updating of corporate governance policies and procedures, and non-audit accounting work.

- An increase in "office" of $140,888 that is principally attributed to an increase in leasing costs for office premises of $66,520 for new space in Calgary and doubled rent for two months for the Edmonton facility; an additional $20,000 in expense for new office furnishings and office relocation in Calgary and Edmonton; and $21,339 in costs associated with the Rodney South oilfield.

- An increase in "wage" expense of $106,081 is attributed to an increase in Powerwave sales and technical personnel. Included in the sales personnel increases is the hiring of a senior manager dedicated to driving Powerwave commercialization and sales personnel focused on the Western Canadian Sedimentary Basin and international Powerwave sales. The increases in technical personnel are for Powerwave tool design, assembly, quality assurance, and assessment.

- A decrease in "bad debt" of $89,131 relates to a one time provision the Corporation took in the comparative period, related to the future collectability of amounts owing from Greentree Ventures Ltd. ("Greentree") associated with the South Rodney oilfield (also see discussion in "Assets and Liabilities" on page 13).

- An increase in "repairs and maintenance" expense of $62,077 to $241,371, can be principally be attributed to $9,364 in costs associated with relocation of the Edmonton shop facility to the new location and general tool refurbishments of $36,941.

Net Operating Cash Flows

During the reporting period ended May 31, 2011, the net cash used in operations amounted to $2,931,041 (2010 – $2,988,163). Expenses not affecting the cash used in operations arise from the following items:

	Nine months ended May 31, 2011	Nine months ended May 31, 2010
	$	$
Items not affecting cash		
Amortization, depreciation and accretion	**698,519**	666,736
Stock based compensation	**472,200**	336,314
Write-down of oilfield property, plant and equipment, and non participation amounts	**-**	217,505
Gain on disposal of property, plant and equipment	**(6,789)**	58,502
	1,163,930	1,279,057

In addition to the above non-cash expenses, the net change in non-cash working capital, which comprises the changes in accounts receivable, inventory, prepaid expenses, and accounts payable and accrued liabilities, amounted to ($818,102) (2010 – $650,587).

Given the Corporation's cash and working capital positions (see Liquidity section below), the Corporation believes it has sufficient working capital to meet current strategic objectives.

Net Loss and Loss Per Share

The basic and diluted net loss for the period ended May 31, 2011 decreased by $1,640,938 to $3,276,869 ($0.04 per share), compared to $4,917,807 ($0.07 per share) in 2010. The 33.4% decrease in net losses is a result of the Corporation's efforts related to operational excellence, Powerwave tool performance and increased commercialization of its Technologies.

Consolidated Results – three months ended May 31, 2011

Revenues

Revenues for the three months ended May 31, 2011 were $1,147,291, an increase of $453,353 over the comparative period in 2010 that recognized revenues of $693,938. The increase in revenues of approximately 65% is primarily a result of the adoption rate and commercialization efforts related to Powerwave and the recovery of the energy sector that has lead to increased activity in the tubing pump and bailer product lines product lines.

For the period ended May 31, revenue from long term Powerwave projects totalled $625,871 compared to $288,757 in the comparative period. For the reporting period, revenue related to Powerwave for secondary oil recovery applications was split $525,671 in Canada and $100,200 in United States.

The tubing pump and bailer product lines revenue for the three months ended May 31, 2011 totalled $305,553, an increase of $41,900 from $263,653 recorded in the comparative period in 2010.

During the three months ended May 31, 2011 the Corporation also recognized production and operator revenues of $62,673 (2010 - $56,905) related to the Rogers County and Rodney South ventures. Of the production and operator revenues recognized, $30,893 (2010 - $11,645) relates to the Rodney South venture, whereas $31,780 (2010 - $45,260) relates to the Rogers County venture.

Interest revenue for the three months ended May 31, 2011 increased to $69,851 compared to $22,451 for the comparative period. The increase of $47,400 relates to the higher cash balances being invested over the reporting period. The higher cash balances resulted from the April 26, 2010 brokered private placement.

Geographically, $958,060 (2010 – $582,053) in revenue was generated in Canada and $189,231 (2010 - $111,885) from the United States.

Direct Expenses

Direct expenses related to service revenue and royalties increased by $11,632 to $211,460 (or 20% of gross services and royalty revenue), compared to $199,828 (or 32% of gross services and royalty revenue) for the comparative period.

Other Expenses

Other expenses for the three months ended May 31, 2011 amounted to $1,865,238, compared to $2,315,098 in 2010. The decrease in these expenses of $449,860 was principally a result of the following changes:

i) An increase in "stock based compensation" of $72,089 is attributed to the issuance of 275,000 incentive stock options during the three months ended May 31, 2011 (see note 8 to the interim financial statements for the quarter ended May 31, 2011 for further discussion).

ii) An increase in "general and administrative expenses" of $102,957. The following table provides comparative details for the general and administrative expenses:

	Three months ended May 31, 2011 $	Three months ended May 31, 2010 **$**
Wages and employee benefits	**541,391**	523,776
Office	**255,702**	159,068
Professional fees	**183,282**	208,102
Repairs and maintenance	**90,422**	49,728
Consultant fees	**87,109**	103,278
Vehicle	**43,758**	52,764
Miscellaneous	**6,184**	3,593
Bad debts	**(1,397)**	3,158
	1,206,451	1,103,494

The changes in general and administrative expenses primarily related to the following:

- An increase in "office" of $96,634 that is principally attributed to an increase leasing costs for office premises of $23,508 for new space in Calgary and doubled rent for two months for the Edmonton facility; an additional $20,000 in expense for new office furnishings and office relocation in Calgary and Edmonton; an increase of $18,012 in costs associated with Rodney South; and $16,257 increase in the Houston office property tax assessments that relate to a reduction in costs in the prior reporting period.

- An increase "repairs and maintenance" of $40,694 can principally be attributed to $9,364 in costs associated with relocation of the Edmonton shop facility to the new location and general tool refurbishments of $22,458.

iii) A decrease in "selling, marketing and travel" of $162,077 that principally relates to decreased travel and accommodation costs of $104,184 due to an increased focus on sales efforts related to Western Canadian Sedimentary Basin, decreased consulting costs of $26,894 as two international sales agent contracts were terminated and some of these activities were brought in-house and decreased trade show costs of $14,501.

iv) A decrease in "research and development" of $186,300 that principally relates to a recovery of costs of $53,000 from an approved application via the Scientific Research and Experimental Development tax incentive program offered by the province of Alberta and $122,118 in costs that were recorded in the prior reporting period for projects that all were substantially completed by May 31, 2010.

v) A decrease in "write down of oilfield property, plant and equipment" of $217,505 that principally relates to the expiration of mineral right leases associated with the Young and Taylor county oilfields that expired in the comparative reporting. Ownership of the oilfields was not viewed as core to the Corporation's strategy; as a result, the Corporation did not renegotiate any further terms nor enter into any subsequent agreements, and recorded a full write-down of the carrying value of these oilfields of $217,505.

vi) A decrease in "write down of property, plant and equipment" of $64,808 that principally relates to the write down of several Powerwave tools that occurred in the comparative reporting period. The tools were discovered to have faulty components from a flawed batch of parts machined by a third party

Net Loss and Loss Per Share

The basic and diluted net loss for the three months ended May 31, 2011 decreased by $891,581 to $929,407 ($0.01 per share), compared to $1,820,988 ($0.02 per share) in 2010. The 49% decrease in net losses is a result of the Corporation's efforts related to operational excellence and increased commercialization of its Technologies.

Net Operating Cash Flows

During the three months ended May 31, 2011, the net cash used in operations amounted to $565,770 (2010 – $864,729). This represents a decrease in net cash used in operations of $298,959, an approximate 35% decrease, and is directly related to increased revenues and more efficient operations. Expenses not affecting the cash used in operations arise from the following items:

	Three months ended May 31, 2011	Three months ended May 31, 2010
	$	$
Items not affecting cash		
Amortization, depreciation and accretion	**260,310**	245,850
Write-down of oilfield property, plant and equipment, and non participation amounts	**-**	217,505
Stock based compensation	**156,185**	84,096
Gain on disposal of property, plant and equipment	**(1,898)**	62,910
	414,597	610,361

In addition to the above non-cash expenses, the net change in non-cash working capital, which comprise the changes in accounts receivable, inventory, prepaid expenses, and accounts payable and accrued liabilities amounted to $(50,960), (2010 – $346,348).

LIQUIDITY AND CAPITAL RESOURCES

Assets and Liabilities

Total assets decreased by $2,829,812 to $34,342,670 from the year ended August 31, 2010. The decrease was primarily due to a decrease of $3,976,303 in cash. Net book recorded values of property, plant and equipment increased to $5,265,868 from $4,903,606 at year end. The largest component of property plant and equipment is Powerwave and Primawave tools, with an original cost of $3,681,574, accumulated amortization of $989,400, and a net book value $2,692,174.

Increased Powerwave and tubing bailer contracts have resulted in increases in accounts receivable by $448,576 to $1,313,668. As well, the increases in the number of contracts have caused the Corporation to increase its inventory levels to $342,609 from $99,969 as at August 31, 2010 to meet anticipated installations.

Oilfield Property, Plant and Equipment

The initial acquisitions of oilfield leases were to ensure-short term revenue generation and to allow the collection of and audit of Powerwave related data, over a range of different geological conditions. As the Corporation's clients gain their own experience as to the effectiveness of Powerwave, and collect their own Powerwave data and results and there is a greater commercialization of the Powerwave across the oil sector, the strategic importance of the Corporation's oilfield assets has diminished. However, the data originally obtained from the Corporation's various oilfield leases and related assets led directly to the early market adoption, and subsequent expansion, of the Powerwave system installations.

Rodney South Oilfield

During the reporting period, On-Energy Corp. ("On-Energy") retained a 50% interest in oilfield property, plant and equipment and all mineral rights in the Rodney South oilfield from Greentree Gas & Oil Ltd. On-Energy will now act as the operator of the lease and will provide field maintenance, support and administrative services. The Corporation is responsible for its proportionate share of operating costs.

The Corporation has, based on its 50% proportionate working interest, recorded its proportionate net production revenues and operating expenses.

Liquidity

The following table represents summarizes working capital information as at May 31, 2011, compared to August 31, 2010:

	May 31, 2011	August 31, 2010	Change
Current assets	27,236,031	30,491,718	(3,255,687)
Current liabilities	(1,109,028)	(1,173,495)	64,467
Working capital	26,127,003	29,318,223	(3,191,220)

Note 1: Working capital is calculated by subtracting current liabilities from current assets.

During the reporting period, the Corporation pledged a $325,000 closed Guaranteed Investment Certificate as security against a Letter of Credit, issued by TD Canada Trust. The Letter of Credit was issued as security for the Corporation's new Edmonton office and warehouse lease, of which the Corporation took possession in April 2011. The value of the Letter of Credit is structured to decline each year by $65,000 and is terminated in year five. The balance of the Corporation's capital is not subject to any external restrictions.

The Corporation believes that its working capital position will continue to decrease until it has achieved positive cash flows generated from operations. The Corporation's cash flow break-even will be affected by the product mix between tubing pumps and bailers, Powerwave stimulations and workovers, Powerwave secondary oil recovery applications and Primawave applications, which are in a constant state of flux, and client installation schedules that are beyond the control of the Corporation.

It is believed that, as each client experiences positive Powerwave results, further uptake of the Technology will result in future cash inflows but will require the Corporation to increase its Powerwave inventories.

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

Financings

During the nine month period ended May 31, 2011, the Corporation did not undertake any financings. However, 29,830 incentive stock options were exercised by employees of the Corporation during the period at a price of $0.59 resulting in gross proceeds of $17,600.

Capital Resources

In accordance with the Corporation's strategic plan and the Contractual Commitments (noted below), cash resources will be required for the following:

- To continue to build an inventory of Powerwave and Primawave systems for deployment to external clients;

- To support the marketing efforts with, and to train all licensees on the implementation of Powerwave and Primawave; and,

- To design additional Powerwave and Primawave systems to allow the Corporation to expand the applications of its Technology.

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

As of July 25, 2011, there are no amounts owed in respect of the lines of credit and the Corporation had $25,157,291 of cash on hand. Of the cash on hand, the Corporation has $5 million invested in a Term Deposit and $23,723,460 invested in Guaranteed Investment Certificates ("GIC") on deposit with TD Canada Trust, a Canadian chartered bank. The investment in the Term Deposit and GICs are for thirty days, maturing on August 6, 2011 and July 27, 2011, with guaranteed interest rates of 1.00% and 1.05%, respectively. Credit risk on the GIC investment is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of TD Canada Trust.

CONTRACTUAL COMMITMENTS

The Corporation 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 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	$ 2,252,067	$ 347,922	$ 476,403	$ 484,593	$ 943,149
	$ 2,252,067	$ 347,922	$ 476,403	$ 484,593	$ 943,149

The Corporation is of the opinion that its working capital position of $26,127,003 as at May 31, 2011 is sufficient to cover its current commitments and operations for the forthcoming fiscal year. It is also anticipated that internally generated cash from operations will continue to increase as the Corporation's Technologies continue to be commercialized and inducements and incentives decrease. As such the Corporation does not, currently, foresee any need for equity or debt financing, although it may consider future financings based on expected need to finance Powerwave tools, working capital, or acquisitions. As the Corporation moves forward it will consider debt financing of its Powerwave tools to better match the assets' life and revenue stream with financing sources. Any such financing will depend on the Corporation's credit rating, quality of licensing contracts, etc.

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

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

i. Directors were issued 545,000 incentive stock options with an exercise price of $0.97. The stock options are subject to the Stock Option Plan, and expire on September 14, 2015.

ii. The Corporation has entered into a twelve month Powerwave License agreement to provide up to three Powerwave licenses and systems at a rate of $2,400 per month per Powerwave license, plus any associated installation fees with a company whose executive officer is also a director of the Corporation. There is a 100% discount to the Powerwave licensing fee for the first four months of the agreement. The monetary transaction is considered to be in the normal course of operations and is measured at the exchange amount. For the nine months ended May 31, 2011, the Corporation recorded $86,511 in revenue related to Powerwave tool installation, with $15,120 included in accounts receivable.

iii. The Corporation has entered into a twelve month Powerwave License agreement to provide up to four Powerwave licenses and systems at a rate of $3,000, plus any associated installation fees with a company whose executive officer and director is also a director of the Corporation. There is a 100% discount to the Powerwave licensing fee for the first two months of the agreement. The monetary transaction is considered to be in the normal course of operations and is measured at the exchange amount. For the nine months ended May 31, 2011, the Corporation recorded $4,040 in revenue related to Powerwave tool installation, with $nil included in accounts receivable.

iv. During the reporting period, a director was issued 75,000 incentive stock options with an exercise price of $0.94. The stock options are subject to the Stock Options Plan, and expire on March 14, 2016.

PROPOSED TRANSACTIONS

At the time of the report the Corporation has no proposed transactions.

OUTLOOK

With economic uncertainty plaguing the European Union and the United States, the risk of volatility in the commodity markets remains, which may influence the Corporation's efforts of large-scale commercialization of Powerwave. The Corporation continues to hold confidence that with multiple positive production outcomes related to Powerwave uptake of the technology will continue in the focus areas of the Western Canadian Sedimentary Basin, West Texas, and California.

Slow growth and the economic rebound of the US economy continues to have a negative impact on the redevelopment of Brownfields (abandoned industrial sites with environmental contamination) and addressing property transfer liabilities which represent two large markets for environmental groundwater remediation. The Corporation does not anticipate significant sales growth of Primawave for the remainder of fiscal 2011.

In the Western Canadian Sedimentary Basin it is anticipated that the Corporation's pump and tubing bailer rental business will continue to experience moderate growth.

The Corporation will continue to focus its efforts for the remainder of fiscal 2011 on the following:

i) Installing Powerwave systems associated with executed agreements;

ii) Leverage the positive results of Powerwave to expand the use of the process with current clients across their entire operations as well as adding new clients across North America;

iii) Further develop the North American Powerwave well workover / stimulation market;

iv) Expand the use of Primawave to other jurisdictions outside of the United States as well as evaluate other market segments for the use of the technology; and,

v) Further development of the Corporation's tubing bailer and Shark pump rental business.

Successfully achieving the above will move the Corporation towards a positive income and cash flow position. The timing of positive income and cash flow will be dependent upon the installation rate of the backlog of existing Powerwave contracts which is beyond the Corporation's control or influence, the sales cycle to secure new contracts where the time to recognizing revenue is not fully dependent on Powerwave tool installation, and further market development of the Corporation's Primawave, and tubing bailer and Shark pump rental business.

RISK AND UNCERTAINTIES

At the Corporation's current stage of commercialization, a large amount of variability in contract terms exist that affect revenue generation, for example: terms, licensing or monthly rates, sales cycle, customer demand, and rates of installation may affect revenue generation. It is also believed that commodity prices also indirectly affect customer adoption rates:

- Powerwave demand increases when commodity prices are high due to the desire to extract more of the commodity;
- Powerwave demand decreases when commodity prices are high due to the belief that nothing needs to be done to receive profits;
- Powerwave demand increases when commodity prices are low from users that need to keep their oilfields profitable; and,
- Powerwave demand decreases when commodity prices are low from users that want to minimize discretionary expenditures.

The Corporation believes that commodity price stability, which allows its clients to plan longer term, is the best macro-environment for Powerwave customers to enter into long term commercial contracts.
The balance of the Corporation's business risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2010.

ENVIRONMENTAL RISK

The Corporation is engaged in the enhancement of oil and gas production and groundwater remediation. The Corporation 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 Corporation 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 Corporation is exposed to physical risk that may arise due to the Technologies damage of a well, regulation risk related to environmental permits and abandonment costs for Rogers County and Rodney South oilfields, environmental permits for Primawave projects, and litigation risks related to the use of the Technology 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 Corporation and its technologies: Powerwave and Primawave.

There are no known environmental trends, and the exposure to future environmental obligations is currently limited to the asset retirement obligations associated with the Rogers County and Rodney South oilfields as disclosed in note 6 to the interim financial statements for the quarter ended May 31, 2011.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Corporation's critical accounting policies and estimates are the same as disclosed in its audited financial statements, and accompanying MD&A for the year ended August 31, 2010.

CHANGES IN ACCOUNTING POLICIES

The changes in accounting policies and future accounting changes not yet applied are disclosed in the notes to the audited consolidated financial statements for the year ended August 31, 2010.

Business Combinations

The CICA issued CICA Handbook Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements", and Section 1602 "Non-Controlling Interests", which superseded Sections 1581 "Business Combinations", and Section 1600 "Consolidated Financial Statements".

Section 1582 establishes standards for the accounting for a business combination. This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The Corporation believes that the revised section will not have a material effect on the Corporation's financial position or results of operations.

Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Both sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Corporation believes that the revised section will not have a material effect on the Corporation's financial position or results of operations.

Earlier adoption is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently.

International Financial Reporting Standards

On April 24, 2006, the Accounting Standards Board ("AcSB") of Canada announced its plan to adopt International Financial Reporting Standards ("IFRS"), replacing Canadian Generally Accepted Accounting Principles ("GAAP"), for fiscal years commencing on or after January 1, 2011. IFRS requires the application of IFRS retrospectively except for a small number of specific exceptions and exemptions provided for entities adopting IFRS for the first time. In order to reflect the cumulative impact from the retrospective adjustments required to reflect the difference between GAAP and IFRS, the Corporation is required to prepare an opening IFRS balance sheet with all cumulative adjustments as at September 1, 2010. The opening IFRS balance sheet will need to be audited since it will be the opening position of the Corporation when it reports under the converged IFRS standards. The Corporation's first financial reporting in accordance with IFRS will be the its first quarter ending November 30, 2011, with the first set of audited, IFRS compliant, consolidated financial statements required for the Wavefront's year ending August 31, 2012.

IFRS does not only impact the presentation and disclosure of items in the financial statements of the Corporation but also the calculation of profits and the measurement of balance sheet items. In addition, there are a number of wider business issues which have been considered including managing shareholders' expectations, employee training, information systems and internal controls.

The Corporation's project consisted of three key phases:

- Scoping and diagnostic phase – this phase involves performing a high level impact analysis to identify areas that may be affected by the transition to IFRS. The results of this analysis were priority ranked according to complexity and the impact of changes in transitioning to IFRS. Given the level of information gathering required as part of the process, the Corporation worked with Deloitte & Touche LLP and fundamentally completed the scoping and diagnostic phase.

- Impact analysis and evaluation phase – during this phase, items identified in the diagnostic are addressed according to the priority levels assigned to them. This phase involves analysis of policy choices allowed under IFRS and their impact on the financial statements. The Corporation has obtained its auditors, PwC, and its audit committee and Board of Directors' concurrence with the majority of its IFRS policy exemptions, and accounting policy choices. The Corporation is currently working with Deloitte & Touche LLP to assess the impact and final selection of policies related to its oil and gas assets and operations.

- Implementation phase – involves implementation of all changes approved in the impact analysis phase and will include changes to information systems, business processes, modification of agreements and training of all staff who are impacted by the conversion.

The Corporation has identified the areas noted below, excluding those that relate to oil and gas assets and operation, as those expected to have the most significant impact on our financial statements. These areas do not represent a complete list of expected changes. As the Corporation progress further into the implementation phase, the differences and impacts described below may be subject to change. We will continue to disclose additional impacts on our financial reporting, including expected quantitative impacts, systems and processes and other areas of our business in future management discussion and analysis as they are determined.

First time adoption

The Corporation's adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards (''IFRS 1'') which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively, with specific mandatory exemptions and a limited number of optional exemptions. The following paragraphs outline the significant optional IFRS 1 exemptions the Corporation expects to apply in its first IFRS financial statements.

- Business Combinations – IFRS 1 allows the Corporation to use the IFRS rules for business combinations on a prospective basis rather than re-stating all business combinations. The Corporation has concluded to not restate past business combinations and apply optional exemption on transition. Commencing September 1, 2010, the Corporation accounts for all business combinations under CICA 1582 in order to avoid having to restate fiscal 2011 comparative figures on commencement of IFRS reporting in fiscal 2012.

- Property, Plant and Equipment – IFRS 1 provides the option to value the Corporations property, plant and equipment at fair value as deemed cost instead of recalculating the carrying value of property, plant and equipment under IAS 16. We have reviewed our current accounting policies and determined that Canadian GAAP net book value assigned to these assets meets IFRS requirements as at the date of transition. No adjustments are expected with respect to this balance on transition to IFRS.

- Leases –IFRS 1 allows an optional exemption to permit an entity to elect to not apply, retrospectively. A first-time adoptee may determine whether an arrangement existing at the date of transition contains a lease based on the facts and circumstances existing at transition date. The Corporation has concluded to adopt the optional exemption to not apply IFRIC 4 retrospectively.

The transition from Canadian GAAP to IFRS is a significant undertaking that may materially affect our reported financial position and results of operations. At this time, The Corporation is now undertaking the calculation of IFRS differences related to IFRS policy adoption.

In addition to accounting policy differences, the Corporation's transition to IFRS will impact the internal controls over financial reporting, the disclosure controls and procedures, business activities and IT systems as follows:

- Internal controls over financial reporting ("ICFR") – As the review of the Corporation's accounting policies is fundamentally completed, an assessment will be made to determine changes required for ICFR.

- Disclosure controls and procedures – Throughout the transition process, the Corporation will be assessing stakeholders' information requirements and will ensure that adequate and timely information is provided so that all stakeholders are kept apprised. Management anticipates disclosing during the fourth quarter of 2011 the differences between the historical Canadian GAAP statements and the IFRS statements.

- Business activities – Management has been cognizant of the upcoming transition to IFRS and as such has worked with our counterparties to ensure that agreement references to Canadian GAAP statements are modified to allow for IFRS statements. Based on the expected changes to the Corporation's accounting policies at this time, there are no foreseen issues with the existing agreements as a result of the conversion to IFRS.

- Information technology systems – the Corporation has completed most of the system updates required in order to ready the company for IFRS reporting. The modifications were not significant, however, deemed critical in order to allow for reporting IFRS statements. Additional system modifications may be required based on final policy choices.

FINANCIAL INSTRUMENTS

The Corporation'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. The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and short –term investments, accounts receivable and non-participation amounts due. The Corporation manages credit risk associated with the cash and cash equivalents and short-term investments by investing primarily in short-term investments issued by Schedule 1 Canadian banks and government investment instruments. While the Corporation does not hold asset-backed securities directly, these parties may be exposed in varying degrees to asset-backed securities and U.S. sub-prime mortgages. The Corporation regularly monitors its investments to manage this potential risk.

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 the Corporation's credit evaluation and cash management processes.

Foreign currency risk

The Corporation 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 production revenue of the Rogers County venture. These risks are partially covered by purchases of goods and services in the foreign currency. The Corporation does not use derivative instruments to reduce its exposure to US currency risk.

Fair value of financial instruments

The carrying value of the Corporation'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

	3rd Qtr May 31'11	2nd Qtr Feb 28'11	1st Qtr Nov 30'10	4th Qtr Aug 31'10
Revenue	$ 1,147,291	$ 1,002,893	$ 925,175	$ 747,023
Net Loss	$ (929,407)	$ (870,610)	$ (1,476,852)	$ (3,720,982)
Basic and diluted loss per share	$ (0.010)	$ (0.010)	$ (0.018)	$ (0.042)
Common shares outstanding				
Weighted average shares outstanding	82,835,682	82,833,538	82,827,568	75,770,126
Diluted shares outstanding	84,500,376	84,064,547	84,075,144	76,133,567

	3rd Qtr May 31'10	2nd Qtr Feb 28'10	1st Qtr Nov 30'09	4th Qtr Aug 31'09
Revenue	$ 693,938	$ 500,638	$ 576,327	$ 537,776
Net Loss	$ (1,820,988)	$ (1,778,332)	$ (1,318,487)	$ (1,929,087)
Basic and diluted loss per share	$ (0.025)	$ (0.025)	$ (0.018)	$ (0.026)
Common shares outstanding				
Weighted average shares outstanding	73,401,295	72,028,109	71,946,949	71,513,398
Diluted shares outstanding	73,828,664	72,463,649	72,500,051	72,650,881

(1) This Financial data has been prepared in accordance with Canadian GAAP

(2) All amounts in Canadian dollars except share data

DESCRIPTION OF SHARE CAPITAL

As at May 31, 2011, the Corporation's share capital consists of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading	82,844,574	
Escrow shares	600,000	
		83,444,574
Convertible into common shares		
Share purchase warrants	5,219,085	
Incentive stock options	2,860,670	
		8,079,755
Fully diluted share capital:		91,524,329

The above noted escrow shares are subject to a value escrow agreement related to the acquisition of Top Gun Sand Pumps & Rentals Ltd. in a prior year. As at May 31, 2011, 90,000 of the shares in escrow have been released from escrow.

Market for Securities

The common shares of Wavefront Technology Solutions Inc. are listed on the TSX Venture Exchange under the symbol of WEE.

The Corporation maintains a Stock Option Plan under which it may grant options for up to 10,711,558 shares of the Corporation at an exercise price no less than the market price of the Corporation's share price at the date of grant.

Options granted during the period

Date of Grant	Number of Shares	Optionee	Exercise Price		Expiry Date
May 25, 2011	200,000	Employee	$	1.13	May 25, 2016
May 14, 2011	75,000	Employee	$	0.94	May 14, 2016
September 14, 2010	545,000	Insiders	$	0.97	September 4, 2015
October 15, 2010	200,000	Employee	$	1.61	October 15, 2015
	1,020,000				

Options outstanding

Date Granted	Expiry Date	Number of Incentive Stock Options	Exercise Price per Share $
May 25, 2011	May 25, 2016	200,000	1.13
May 14, 2011	May 14, 2016	75,000	0.94
October 15, 2010	October 15, 2015	200,000	1.61
September 14, 2010	September 14, 2015	631,670	0.97
July 14, 2010	July 14, 2015	170,000	1.45
September 4, 2009	September 4, 2014	252,500	0.72
July 8, 2009	July 14, 2014	56,500	0.59
January 5, 2009	January 5, 2014	600,000	0.54
June 27, 2008	June 27, 2013	115,000	2.90
March 4, 2008	March 4, 2013	200,000	2.05
February 22, 2008	February 22, 2013	210,000	1.65
February 14, 2008	February 14, 2013	50,000	1.40
August 1, 2006	August 1, 2011	100,000	1.76
		2,860,670	

Share purchase warrants outstanding

Date of Grant	Number of Share Purchase Warrants	Exercise Price	Expiry Date
April 26, 2010	5,219,085	$ 2.75	April 27, 2011

In connection with the brokered private placement that closed on April 26, 2010, noted above, the Corporation issued 5,219,085 non-transferable share purchase warrants. Each whole Warrant entitled the holder to purchase an additional common share at a price of $2.75 per share for twelve months expiring on April 27, 2011, subject to an accelerated expiry date, commencing on August 27, 2010, if the volume weighted average trading price of the Corporation's Shares on the TSX Venture Exchange, or any other stock exchange on which the Shares are then listed, is at a price equal to or greater than $3.15 for a period of more than 20 consecutive trading days, the Corporation will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is not less than 30 days from the date notice is provided by the Corporation to the holder of the Warrant.

During the reporting period, the TSX Venture Exchange approved the extension of the Warrants such that the new expiry, subject to the above noted accelerated expiry, is now April 27, 2012. The recorded value of the Warrants did not change as a result of the Warrant extension.

CONTROLS AND PROCEDURES

Under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Corporation, 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 Corporation'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 Corporation, as of the date of and for the periods presented by the audited financial statements.

The Corporation'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 Corporation 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 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". Statements of this type are contained in this report, including the discussion of future conditions under the headings "Overall Results from Operations" and "Liquidity and Capital Resources" and expectations under the heading "Outlook". We provide a financial outlook (a type of forward-looking statement) for Wavefront's business under the heading "Outlook" 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. In some cases, forward-looking statements can be identified by terminology such as ''may'', ''will'', ''should'', ''expect'', ''plan'', ''anticipate'', ''believe'', ''estimate'', ''predict'', ''potential'', ''continue'' or the negative of these terms or other comparable terminology. 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. 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" section in our Annual Report for the year ended August 31, 2010 incorporated by reference herein. In determining Wavefront's forward-looking statements, Wavefront considers material factors including assumptions and expectations about: 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. 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.*

The forward-looking statements contained herein represent Wavefront's expectations at July 25, 2011, 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).