Unaudited Condensed Consolidated Interim Financial Statements of

WAVEFRONT TECHNOLOGY SOLUTIONS INC.

First Quarter Ended November 30, 2013 and 2012

TABLE OF CONTENTS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated interim statements of financial position		1
Condensed consolidated interim statements of net loss and comprehensive loss		2
Condensed consolidated interim statements of changes in shareholders' equity		3
Condensed consolidated interim statements of cash flows		4

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANICAL STATEMENTS

Note 1	Nature of operations and corporate information	5
Note 2	Statement of compliance	5
Note 3	Property, plant and equipment	6
Note 4	Intangible assets	8
Note 5	Jointly controlled assets	9
Note 6	Share capital	10
Note 7	Expenses by nature	11
Note 8	Loss per share	12
Note 9	Related party transactions	12
Note 10	Segmented information and significant customers	12
Note 11	Seasonality of operations	13

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Financial Position
As at November 30, 2013 and August 31, 2013
(Canadian dollars)

	Note	November 30, 2013 Unaudited	August 31, 2013 Audited
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 10,057,686	$ 11,043,731
Trade and other receivables		2,154,360	1,962,466
Inventories		536,944	515,520
Prepaid expenses		398,770	229,896
		13,147,760	13,751,613
NON-CURRENT ASSETS			
Deposits		115,342	115,112
Property, plant and equipment	3	5,293,633	5,456,975
Intangible assets	4	3,885,909	3,947,578
Goodwill		1,222,217	1,222,217
		$ 23,664,861	$ 24,493,495
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable and accrued liabilities		1,164,194	1,281,372
SHAREHOLDERS' EQUITY			
Share capital	6a	66,438,909	66,438,909
Contributed surplus	6c	8,763,830	8,691,895
Accumulated other comprehensive loss		85,099	76,086
Deficit		(52,787,171)	(51,994,767)
		22,500,667	23,212,123
		$ 23,664,861	$ 24,493,495

The accompanying notes are an integral part of these condensed consolidated interim financial statements

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
As at November 30, 2013 and November 30, 2012
(Canadian dollars)
(Unaudited)

	Note	November 30, 2013	November 30, 2012
Revenue		$ 1,646,640	$ 1,529,585
Cost of sales		508,226	356,364
General and administrative		1,193,415	1,385,685
Amortization and depreciation		409,526	414,105
Sales and marketing		288,665	273,264
Research and development		65,104	155,776
	7	2,464,936	2,585,194
OPERATING LOSS		(818,296)	(1,055,609)
Financing costs		1,017	16,983
Financing income		24,875	35,948
Net finance income		25,892	52,931
NET LOSS		(792,404)	(1,002,678)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified subsequent to net loss			
Translation gain (loss) on foreign operations		9,013	(2,383)
NET LOSS AND COMPREHENSIVE LOSS		(783,391)	(1,005,061)
LOSS PER COMMON SHARE			
Basic and diluted	8	$ (0.01)	$ (0.01)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
As at November 30, 2013 and August 31, 2013
(Canadian dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at August 31, 2012	$ 66,438,909	$ 8,582,757	$ (411)	$ (47,249,930)	$ 27,771,325
Net loss and comprehensive loss	-	-	76,497	(4,744,837)	(4,668,340)
Recognition of shared-based payments	-	-	-	-	-
Stock options exercised	-	109,138	-	-	109,138
Balance at August 31, 2013	66,438,909	8,691,895	76,086	(51,994,767)	23,212,123
Net loss and comprehensive loss	-	-	9,013	(792,404)	(783,391)
Recognition of shared-based payments	-	71,935	-	-	71,935
Balance at November 30, 2013	$ 66,438,909	$ 8,763,830	$ 85,099	$ (52,787,171)	$ 22,500,667

The accompanying notes are an integral part of these condensed consolidated interim financial statements

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Cash Flow
As at November 30, 2013 and November 30, 2012
(Canadian dollars)
(Unaudited)

	Note	November 30, 2013	November 30, 2012
OPERATING ACTIVITIES			
Net loss and Comprehensive Loss		$ (783,391)	$ (1,005,061)
Items not affecting cash			
Amortization and depreciation		409,526	414,422
Share-based payments	6b	71,935	22,461
Gain on disposal of property, plant and equipment		1,669	-
Impact of foreign translation		(985)	-
		(301,246)	(568,178)
Net change in non-cash working capital items		(499,600)	(598,656)
Cash used in operating activities		(800,846)	(1,166,834)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(118,695)	(547,851)
Additions to intangible assets	4	(66,504)	(30,347)
Cash used in investing activities		(185,199)	(578,198)
FINANCING ACTIVITIES			
Cash provided by financing activities		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(986,045)	(1,745,032)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		11,043,731	15,169,284
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 10,057,686	$ 13,424,252
Supplementary Information			
Interest paid		(5,112)	(1,774)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Wavefront Technology Solutions Inc.'s ("Wavefront" or the "Corporation") business operates in a market where there is increasing demand to bring economically beneficial solutions to exploration and production companies (or "E&P" companies) to maximize oil and gas productivity. Central to Wavefront's broad portfolio of core technologies is the fluid delivery process, Powerwave™ that encompasses the life cycle of a client's post exploration operations. Powerwave is an effective method for: mature field revitalization (enhanced oil recovery or "EOR"), increasing well productivity through well stimulation, and performance drilling.

The Corporation is incorporated under the Canada Business Corporations Act. Its shares are listed on the TSX Venture Exchange under the symbol of WEE and also trade on the OTCQX International under the symbol of WFTSF.

The address of the registered head office of the Corporation is 5621 – 70 Street, Edmonton, Alberta. The Corporation is domiciled in Canada.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board and should be read in conjunction with the Corporation's annual financial statements for the year ended August 31, 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed consolidated interim financial statements were approved for issue on January 27, 2014.

The accounting policies and method of computation adopted in these condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended August 31, 2013, except as described below.

Changes in Accounting Policies

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective September 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10, *Consolidated Financial Statements*, replaces the guidance on control and consolidation in International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements, and Standard Interpretations Committee ("SIC") – 12, Consolidation – Special Purpose Entities. The new standard provides a single model for consolidation based on control, which exists when an investor is exposed or has the right to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee. The standard also provides guidance on how to evaluate power and requires that control be assessed as facts and circumstances change. The accounting requirements for consolidation have remained largely consistent with IAS 27.

The Corporation has assessed its consolidation conclusion on September 1, 2013 and determined that the adoption of IFRS 10 does not result in any change in the consolidation status of any of its subsidiaries or investees.

IFRS 11, *Joint Arrangements*, replaces IAS 31, Interest in Joint Arrangements. The new standard eliminates the option to proportionately consolidate interest in certain types of joint ventures. IAS 28, *Investments in Associates* has also been amended and will establish the requirements for the application of the equity method to these investments.

The Corporation has assessed its joint arrangements on September 1, 2013 and determined that the adoption of IFRS 11 does not result in any change in the consolidation status of any of its subsidiaries or investees.

3. PROPERTY, PLANT AND EQUIPMENT

As at November 30, 2013	Oilfield property, plant and equipment	Tools and Equipment	Computer, automotive and office equipment	Leasehold improvements	Total
Cost					
Balance at August 31, 2013	$ -	$ 8,720,099	$ 923,319	$ 592,492	$ 10,235,910
Additions	-	113,352	5,343	-	118,695
Disposals	-	(913)	(1,420)	-	(2,333)
Impact of foreign translation	-	747	1,076	-	1,823
Balance at November 30, 2013	-	8,833,285	928,318	592,492	10,354,095
Accumulated depreciation					
Balance at August 31, 2013	-	(3,898,116)	(739,477)	(141,342)	(4,778,935)
Additions	-	(245,038)	(20,626)	(15,433)	(281,096)
Disposals	-	-	664	-	664
Impact of foreign translation	-	(386)	(709)	-	(1,095)
Balance at November 30, 2013	-	(4,143,540)	(760,148)	(156,775)	(5,060,462)
Net book value					
Balance at November 30, 2013	$ -	$ 4,689,745	$ 168,170	$ 435,717	$ 5,293,633

As at November 30, 2012	Oilfield property, plant and equipment	Tools and Equipment	Computer, automotive and office equipment	Leasehold improvements	Total
Cost					
Balance at August 31, 2012	$ 1,131,173	$ 7,385,610	$ 1,031,343	$ 573,943	$ 10,122,069
Additions	-	527,015	21,485	-	548,500
Balance at November 30, 2012	1,131,173	7,912,625	1,052,828	573,943	10,670,569
Accumulated depreciation					
Balance at August 31, 2012	(368,885)	(2,840,355)	(659,116)	(81,534)	(3,949,890)
Additions	(12,070)	(196,948)	(28,573)	(14,333)	(251,924)
Balance at November 30, 2012	(380,955)	(3,037,303)	(687,689)	(95,867)	(4,201,814)
Net book value					
Balance at November 30, 2012	$ 750,218	$ 4,875,322	$ 365,139	$ 478,076	$ 6,468,755

Depreciation expense for the period ended November 30, 2013 was $281,096 (November 30, 2012 – $251,924).

Property, plant and equipment includes tools and equipment under construction of $336,740 (November 30, 2012 - $251,924), which is not being depreciated.

As at August 31, 2013, the Corporation's board of directors approved the disposition of the South Rodney related assets and liabilities. The Corporation is committed to a plan of sale, and believed that it is highly probable that the sale will close within the near future. As such as at August 31, 2013, the Corporation classified the South Rodney oilfield assets and liabilities, inclusive of the decommissioning obligation, as held for sale and wrote the recorded net assets down from $702,426 to their fair value from disposition estimated at $nil.

4. INTANGIBLE ASSETS

As at November 30, 2013	Patents	Trade Name	Acquired licenses	Total
Cost				
Balance at August 31, 2013	$ 4,828,340	$ -	$ 209,652	$ 5,037,992
Additions	14,579	-	51,925	66,504
Impact of foreign translation	-	-	460	460
Balance at November 30, 2013	4,842,919	-	262,037	5,104,956
Accumulated depreciation				
Balance at August 31, 2013	(1,046,728)	-	(43,686)	(1,090,414)
Amortization	(122,970)	-	(5,460)	(128,430)
Impact of foreign translation	-	-	(203)	(203)
Balance at November 30, 2013	(1,169,698)	-	(49,349)	(1,219,047)
Net book value				
Balance at November 30, 2013	$ 3,673,221	$ -	$ 212,688	$ 3,885,909

As at November 30, 2012	Patents	Trade Name	Fully-paid up license	Total
Cost				
Balance at August 31, 2012	$ 4,760,271	$ 18,627	$ 106,990	$ 4,885,888
Additions	29,909	-	-	29,909
Balance at November 30, 2012	4,790,180	18,627	106,990	4,915,797
Accumulated depreciation				
Balance at August 31, 2012	(550,861)	-	(43,557)	(594,418)
Amortization	(161,121)	-	(1,270)	(162,391)
Balance at November 30, 2012	(711,982)	-	(44,827)	(756,809)
Net book value				
Balance at November 30, 2012	$ 4,078,198	$ 18,627	$ 62,163	$ 4,158,988

Depreciation expense for the period ended November 30, 2013 was $128,430 (November 30, 2012 – $162,391).

5. JOINTLY CONTROLLED ASSETS

The Corporation conducts its oilfield activities under the terms of production sharing contracts which it considers jointly-controlled assets.

The Corporation has included its share of the following:

	November 30, 2013	August 31, 2013
Current assets	$ 6,877	$ 9,033
Non-current assets	-	-
Current liabilities	-	-
	$ 6,877	$ 9,033

	Three months ended	
	November 30 2013	November 30 2012
Revenue	$ 32,744	$ 33,220
Expenses	34,900	29,804
	$ (2,156)	$ 3,416

As at August 31, 2013, the Corporations jointly controlled assets consist of its interest in the South Rodney oilfield assets. During the year ended August 31, 2013, the Corporation classified the South Rodney oilfield assets and liabilities, inclusive of the decommissioning obligation, as held for sale and wrote the recorded net assets down from $702,426 to their fair value from disposition estimated at $nil.

The Corporation will continue to recognize its proportionate revenues and expenses of the jointly controlled assets till disposition closes.

At November 30, 2013, there were no capital commitments for the Corporation's jointly controlled assets.

6. SHARE CAPITAL

The Corporation's issued share capital is as follows:

a) Issued common shares

There were no changes in the Corporation's outstanding common shares, which have the following balances:

	Number	Stated capital
Balance at August 31, 2012	82,956,240	$ 66,438,909
Balance at November 30, 2013	82,956,240	$ 66,438,909

b) Stock-based compensation plan

The Corporation maintains an Employee, Director, Officer and Consultant Stock Option Plan under which the Corporation may grant incentive stock options for up to 10,771,558 shares of the Corporation at an exercise price equal to or greater than the market price of the Corporation's stock at the date of grant. All stock options awarded are exercisable for a period of five years and vest in equal tranches at three (3) month intervals over a period of eighteen (18) months.

Movements in stock options during the period

A summary of the status of the Corporation's Stock Option Plan is presented below:

	Number	Weighted average exercise price
Outstanding at August 31, 2013	2,115,000	$ 0.64
Forfeited	(20,000)	0.38
Outstanding at November 30, 2013	2,095,000	$ 0.64

Fair value of stock options granted during the period

The fair value for the compensation costs of stock options issued to both employees and non-employees were calculated using the Black-Scholes option pricing model resulting in an additional charge to general and administrative expense with a corresponding increase in contributed surplus, assuming the following weighted average assumptions:

During the three months ended November 30, 2013, the Corporation incurred $71,935 (November 30, 2012 - $22,461) in compensation expense relating to outstanding stock options.

The amounts computed according to the Black-Scholes pricing model may not be indicative of the actual values realized upon the exercise of the stock options by the holders.

c) Contributed surplus

	November 30, 2013	November 30, 2012
Balance, begining of period	$ 8,691,895	$ 8,582,757
Share-based payment	71,935	22,461
Balance at November 30, 2013	$ 8,763,830	$ 8,605,218

7. EXPENSES BY NATURE

	November 30, 2013	November 30, 2012
Wages, wage expenses and benefits	$ 725,695	$ 750,311
Depreciation and amortization	409,526	414,105
Materials and related costs	310,478	305,773
Office expenses	260,223	233,022
Consultants	247,763	209,834
Professional fees	96,392	169,185
Travel, accommodations and meals	85,186	106,831
Repairs, maintenance and shop supplies	76,841	156,944
Marketing, promotions and trade shows	72,355	45,569
Share based payments	71,935	22,462
Vehicle	69,069	80,813
Public company & listing fees	35,655	43,965
Miscellaneous	1,957	778
Loss on disposition of property, plant and equipment	1,669	-
Bad debts	192	45,602
	2,464,936	2,585,194

8. LOSS PER SHARE

The following table sets forth the details of the denominator used for the computation of the basic and diluted loss per share for the periods November 30, 2013, and 2012:

(# of shares)	November 30, 2013	November 30, 2012
Basic weighted average shares outstanding during period	82,956,240	82,956,240
Dilutive effective of "in-the-money" stock options	-	83,024
	82,956,240	83,039,264

9. RELATED PARTY TRANSACTIONS

Expense transaction

The Corporation entered into a Consulting Agreement with a director of the Corporation to provide certain services for a monthly fee of US $5,000 per month. During the period, the Corporation recorded $15,597 (November 30, 2012 - $14,817) in consulting expense, with $nil (November 30, 2012 - $nil) included in accounts payable.

Revenue transaction

During the comparative period ended November 30, 2012, the Corporation also performed Powerwave™ stimulations with a company whose executive officer was also a director of the Corporation. For the period ended November 30, 2012, the Corporation recorded $5,573 in revenue related to Powerwave™ stimulations, with $5,573 included in trade and other receivables.

10. SEGMENTED INFORMATION AND SIGNIFICANT CUSTOMERS

The Corporation is positioned as a technology company and operates with one reportable segment that covers all aspects of the Corporation's business.

Wavefront considers the basis on which it is organized, including the economic characteristics and geographic areas, in identifying its reportable segment. The operating segment(s) of the Corporation is defined as components of the Corporation 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 Corporation is the President and Chief Executive Officer. The Corporation has one group of similar products due to having a similar underlying technology, class of customers and economic characteristics.

Geographic information

	Revenue		Assets	
	November 30, 2013	November 30, 2012	November 30, 2013	November 30, 2012
Canada	$ 642,758	$ 940,332	$ 21,372,563	$ 26,953,486
United States	488,863	314,499	1,801,327	1,046,682
International	515,019	274,754	490,971	229,741
	$ 1,646,640	$ 1,529,585	$ 23,664,861	$ 28,229,909

For its geographic information, the Corporation has allocated assets based on their physical location and revenue based on the location of the customer.

Significant customers

During the period ended November 30, 2013, the Corporation recorded revenue from 44 customers (November 30, 2012 - 38 customers). Sales in the period ended November 30, 2013 from the top three customers amounted to $285,631, $241,500 and $212,896, which represented 17.3%, 14.7% and 12.9% respectively, of total revenue. Sales in the period ended November 30, 2012 from the top three customers amounted to $330,308, $328,500 and $139,879, which represented 21.6%, 21.5% and 9.1% respectively, of total revenue.

13. SEASONALITY OF OPERATIONS

Oilfield services offered by the Corporation are seasonable and related to the product offering and geographical extent to which products were offered for sale. The Corporation's pump and bailer product offering, in relation to oilfield services, are rental and sale of downhole equipment. At present, the target geographical area of the product offering is Alberta and Saskatchewan. Due to temperature influences on ground conditions, the months of December, March and April have lower activities.

The Corporation however, focuses the majority of its resources on Powerwave and Primawave technologies. As the markets are diverse for Powerwave and Primawave, seasonal fluctuations are limited to the geography being served. In addition there are no known seasonal fluctuations in regards to oil production. As such management believes that this seasonality of operations will have minimal affects moving forward.