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 November 30, 2013 and is based on information available to January 27, 2013. Additional information on Wavefront Technology Solutions Inc.’s (the “Company” or “Wavefront”) is available on SEDAR at www.sedar.com.
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 (“Wavefront” or “the Company”) financial results prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A primarily compares the unaudited financial results for the first quarter ended November 30, 2013 to November 30, 2012. 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 financial records (also see section titled “Controls and Procedures” page 19). The financial information presented throughout the MD&A is consistent with the interim condensed consolidated financial statements.

Our unaudited condensed consolidated interim financial statements and related notes for the first quarter ended November 30, 2013, are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Wavefront continues to use the same accounting policies and methods as those used in 2013, except for the adoption of IFRS 10, Consolidated Financial Statements, and IFRS 11, Joint Arrangements. A description of these new standards and their impact on our financial position and results of operations is detailed in Note 2, “Statement of Compliance”, of our unaudited interim condensed consolidated financial statements for the quarter ended November 30, 2013, and in the Critical Accounting Estimates, Developments, and Measures section (page 15) in this MD&A. Unless otherwise indicated, comparative figures in this MD&A have been restated to give effect to these changes.

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, meet to review the interim condensed consolidated 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 interim condensed consolidated financial statements.

NON-IFRS MEASURES

The Company uses both IFRS and additional and non-IFRS measures to make strategic decisions and set targets and believes that these non-IFRS measures provide useful supplemental information to investors. “Working capital”, “gross profit”, “gross profit margin”, and “cash from operations” are measures used by the Company that do not have a standard meaning prescribed by IFRS and may not be comparable to similar measures used by other companies.

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

- Gross profit is calculated by deducting cost of sales which includes direct costs, such as direct materials, direct labour, travel related expenditures, sub-contractors, shipping, duties and taxes, from gross revenue. Gross profit margin is calculated by dividing the gross profit by gross revenue. Gross profit is a non-IFRS measure with no comparable IFRS measure;
• Cash flow used in operating activities is a measure of the total cash generated from the Company’s operations and is calculated by adding back amortization, share based payments and other non-cash items to net income and then adjusting for changes in working capital. Cash flow used in operating activities is a component of the IFRS consolidated statement of cash flows; and

• EBITDA, an acronym for earnings before interest, taxes, depreciation, and amortization, is calculated by adding back all interest, tax, depreciation and amortization to net loss. EBITDA is an additional IFRS measure with the most comparable IFRS measure is 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

Wavefront’s 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 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.

For EOR, Wavefront’s Powerwave enables more uniform distribution of the flooding fluid to efficiently mobilize bypassed oil trapped between injection wells and production wells. In North America there are 166,900 active wells used to inject water, polymers, surfactants, and combinations thereof. These wells are heavily concentrated in Alberta, California, and Texas. Additionally, 13 companies who operate in multiple States or Provinces control 49% of the injection wells.

Improved well stimulation leading to increased post-stimulation production performance is achieved with Wavefront’s
Powerwave well stimulation tools that maximize volumetric contact area with the reservoir during the stimulation operation. The well stimulation market is in excess of $1 billion\(^3\) annually as virtually all production and injection wells periodically require some form of stimulation to enhance production or injection. In North America, in the principal marketing regions (circled in green) there are approximately 300,000\(^4\) producing oil wells subject to stimulation as well as an additional approximate 187,000\(^5\) gas wells in the focus regions in the United States. In North America all oil and gas wells are possible candidates for well stimulation.

\(^1\) Bcc Research, June 29, 2011
\(^2\) Ducker Worldwide NA LLC, January 2014
\(^3\) US Energy Information Administration, 2014
Management’s Discussion and Analysis of Financial Condition and Results of Operations

OUTLOOK

Wavefront is uniquely positioned to capitalize on significant growth opportunities. The Company believes that no competitor has a similar, diverse portfolio of unique fluid injection methodologies and tools. By leveraging the Powerwave technology platform across multiple oil industry applications, Wavefront is seeking to minimize technology risk and accelerate commercialization timelines. We remain confident that with our knowledge and expertise as well as the experience and positioning of our marketing partners that, over the long term, our Company will continue to grow market opportunities in key geographical focus areas.

Our Company continues to build a strong brand name for Powerwave gaining very positive results and customer satisfaction in many areas of the globe. Though there are global market opportunities for Powerwave Wavefront must prioritize where to place its sales and marketing efforts to drive higher growth. Within North America and supported by statistical market surveillance Wavefront will increase its presence in the Alberta, Texas, California and Rocky Mountain regions while also narrowing product focus. For the Powerwave Trailblazer performance drilling line the Company does not expect to grow this market organically.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

and it will rely on well positioned, third-party drilling-related service providers to cultivate market penetration. To open new markets outside of North America the Company is aligned with third-party marketing partners to drive local market penetration. Presently, Wavefront has marketing partners in Saudi Arabia, Oman, Colombia, Argentina, Brazil, Mexico, Romania, the United States, and Canada.

Although our Company expects to see revenue growth in all product lines overall results may remain susceptible to quarter-over-quarter variability due to technology adaption rates, direct and indirect competition as well as client economics. The risk of volatility in the commodity and financial markets may also influence the Company’s ongoing efforts to commercialize certain Powerwave applications. For example, the recent price differential between the benchmark heavy oil prices in Canada, Western Canadian Select (“WCS”) relative to West Texas Intermediate (“WTI”) is approximately $18 per barrel. The Company anticipates that prolonged high price differentials may negatively impact Powerwave EOR activities in Canada as oil producers evaluate operational strategies to reduce operating costs.

Given the nature of the intellectual property related to Powerwave, the original business model Wavefront adopted for EOR sales was a fixed yearly licensing fee per well which would result in recurring revenue. Based on client feedback and further market intelligence Wavefront is moving towards including an alternative business model where the Company may sell to the client the downhole tool and ancillary equipment and charge the client recurring revenue through a renewable yearly maintenance fee tied to an umbrella license. This strategic shift allows the client to capitalize the equipment purchase and lower the operating costs associated with deploying Powerwave. It is believed that this new model may lead to more rapid adoption rates of Powerwave for EOR applications.

Wavefront’s overall objective is to grow revenue in all product lines, maintaining high gross profit margins, controlling expenses, and obtaining near-term profitability. To realize increased market penetration, market positioning and revenue growth Wavefront will:

i) Expand our leadership across high-value oil field segments in the Alberta, Texas, California and Rocky Mountain regions;

ii) Strengthen our leadership as a provider of differentiated, high economic value technology;

iii) Leverage Powerwave through marketing partners in key geographic regions;

iv) Broaden market awareness of Powerwave successes and economic benefits through effective communication and marketing actions;

v) Invest in new systems and tools as well as service developments and enhancements to advance market awareness and improve the client experience; and,

vi) Evaluate strategic alliances with established industry leading service providers to build shareholder value.
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, types of customers, quantitative and qualitative thresholds, etc.) and geographic areas, in identifying its reportable segment. The operating segment(s) of the Company is defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the President and Chief Executive Officer.

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

Consolidated Results – three months ended November 30, 2013

Revenues

Revenues for the three months ended November 30, 2013 were $1,646,640, an increase of $117,055 over the comparative period in 2012 that recognized revenues of $1,529,585. The changes in product line mix can be characterized as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Powerwave: well stimulations &amp; workovers</td>
<td>$309,234</td>
<td>$242,289</td>
</tr>
<tr>
<td>Powerwave: performance drilling</td>
<td>$71,914</td>
<td>$53,006</td>
</tr>
<tr>
<td>Primawave</td>
<td>$34,495</td>
<td>$25,034</td>
</tr>
<tr>
<td>Tubing pump and bailers</td>
<td>$170,778</td>
<td>$133,345</td>
</tr>
<tr>
<td>Powerwave: enhance secondary oil recovery</td>
<td>$827,476</td>
<td>$759,736</td>
</tr>
<tr>
<td>Powerwave: strengthen secondary oil recovery</td>
<td>$53,006</td>
<td>$53,006</td>
</tr>
</tbody>
</table>

Revenue attributed only to Powerwave product lines were $1,408,624, an increase of $289,554 or 25.9% increase over revenues in the comparative period of $1,119,070. The Powerwave product line revenues can then be broken into short-term projects involving well stimulations and long-term projects related to using Wavefront’s technology to enhance oil recovery in mature field revitalization flooding applications.

For the first quarter 2014, the total revenue of long-term Powerwave projects related to secondary and tertiary oil recovery mature field revitalization involving either waterflooding or CO2 flooding totalled $827,476 compared to $759,736 in the comparative period. Of the $827,476 of revenue related to long-term Powerwave projects $506,119 related to international projects.
For the first quarter 2014, Powerwave revenues related to well stimulations totalled $509,234, an increase of $149,900 or 41.7%, compared to $359,334 in the comparative period. It is believed that Powerwave well stimulations may lead to mature field revitalization applications as client companies become more familiar with the technologies and can obtain and validate their own data related to Powerwave.

For the first quarter 2014, Primawave revenues totalled $34,495 for the reporting period compared to $53,006 from the comparative reporting period. The Company expects to see continued variation in Primawave revenue quarter over quarter but anticipates higher usage in the period May to October. Primawave revenues principally comprise of a licensing fee and primarily relate to shorter term in-situ remediation work.

For the first quarter 2014, revenues from the tubing pumps and bailer product totalled $170,778 compared to $324,289 in the comparative period. Tubing pumps and bailer revenues comprise of tool rental, delivery and refurbishment fees. The Company expects to see continued variation in tubing pump and bailer revenues as more resources are designated to Powerwave projects.

During the first quarter ended November 30, 2013, the Company also recognized production and operator revenues of $32,743 (2012 - $33,220). Production and operator revenues for the current period related solely to that of the Rodney South venture. 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.

Geographically, $642,758 (2012 – $940,332) in revenue was generated in Canada, $448,863 (2012 - $314,499) from the United States, and $515,019 (2012 - $274,754) internationally. The Company’s focus in Canada and the US is on Powerwave stimulation and mature field revitalization projects. Working with our marketing partners and internal sales personnel our Company’s goal is to broadly expand the client base for the three focus areas: performance drilling; well stimulation; and, mature field revitalization. The Company believes that continued positive results in performance drilling and well stimulation will be a strong pull to advance Powerwave mature field contracts in our focus areas of the Canadian Western Sedimentary Basin, Texas and California. The geographic revenues are more specifically described as follows:

**Canada.** Gross revenues in our Canadian operation decreased by $297,574 to $642,758 compared to $940,332 in comparative period. Powerwave mature field revitalization applications revenues totalled $241,500 (2012 - $375,666); Powerwave stimulation revenues in Canada totalled $184,187 (2012 - $207,157); Powerwave Performance Drilling revenues totalled $13,550 (2012 - $nil); Primawave revenues totalled $nil (2013 - $nil); tubing pump and bailer revenues totalled $170,778 (2012 - $324,289); and oil production revenue totalled $32,743 (2012 - $33,220).

**United States.** Gross revenues in our US operation increased by $174,364 to $488,863 (2012 - $314,499). Powerwave mature field revitalization applications revenues totalled $79,857 (2012 - $112,666); Powerwave stimulation revenues totalled $317,697, an increase of $165,520 or 107.8% over comparative revenues of $152,177; Powerwave Performance Drilling revenues totalled $58,364 (2012 - $nil); and Primawave revenues totalled $32,945 (2012 - $49,656).
Management’s Discussion and Analysis of Financial Condition and Results of Operations

**International:** Gross revenues outside our Canadian and US operation increased by $240,265 or 87.4% to $515,019 (2012 - $274,754). Powerwave mature field revitalization applications revenues totalled $506,119 (2012 - $271,404) Powerwave stimulation revenues internationally totalled $7,350 (2012 - $nil); and Primawave revenues totalled $1,550 (2012 - $3,350). Given the interest of technology to bolster oil production in aging fields our Company will continue to aggressively market in the international community including Latin and South America, Brazil, the Middle East, Europe and certain sectors of Asia. To this end we expect to experience periodic increases in marketing costs in advance of Powerwave contracts.

**Direct Expenses**

Under IFRS cost of goods sold includes direct labour, wage benefits and associated stock option benefits, consumable (i.e., inventory) parts, third party installation costs of Powerwave, Primawave, tubing pump and bailer product lines and oil and gas properties and, any associated loss or gain on sale and the write-down.

Costs of sales for the three month period ended November 30, 2013 were $508,226 or 30.9% of revenues (2012 - $356,364 or 23.3% of revenues).

The increase in costs of sales of $151,862 related to costs of sales in international projects and a prior period adoption of a field incentive and commission program designed at enhancing sales. Management believes that such variable pay has lead to increases in Powerwave revenues particularly in well stimulations and in future international EOR revenue.

**Gross Profit**

The following table sets out the gross profit margins by product line for the first quarter ended November 30, 2013:

<table>
<thead>
<tr>
<th></th>
<th>Powerwave</th>
<th>Performance Drilling</th>
<th>Primawave</th>
<th>Tubing pumps &amp; bailers</th>
<th>Oil &amp; Gas Properties</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$1,336,710</td>
<td>$71,914</td>
<td>$34,495</td>
<td>$170,778</td>
<td>$32,743</td>
<td>$1,646,640</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>421,298</td>
<td>27,688</td>
<td>8,649</td>
<td>50,591</td>
<td>-</td>
<td>508,226</td>
</tr>
<tr>
<td>Gross profit margin (note 1)</td>
<td>68.5%</td>
<td>61.5%</td>
<td>74.9%</td>
<td>70.4%</td>
<td>100.0%</td>
<td>69.1%</td>
</tr>
</tbody>
</table>

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

The following table sets out the gross profit margins by product line for the first quarter ended November 30, 2012:

<table>
<thead>
<tr>
<th></th>
<th>Powerwave</th>
<th>Performance Drilling</th>
<th>Primawave</th>
<th>Tubing pumps &amp; bailers</th>
<th>Oil &amp; Gas Properties</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$1,119,070</td>
<td>-</td>
<td>$53,006</td>
<td>$324,289</td>
<td>$33,220</td>
<td>$1,529,585</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>185,637</td>
<td>-</td>
<td>4,960</td>
<td>165,767</td>
<td>-</td>
<td>356,364</td>
</tr>
<tr>
<td>Gross profit margin (note 1)</td>
<td>83.4%</td>
<td>0.0%</td>
<td>90.6%</td>
<td>48.9%</td>
<td>100.0%</td>
<td>76.7%</td>
</tr>
</tbody>
</table>

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

The Company’s goal is to continue to accelerating revenue growth while relatively maintaining gross profit margins.
Other Expenses

Other expenses for the first quarter ended November 30, 2013, amounted to $1,956,710, compared to $2,228,830 in 2012. The decrease in these expenses of $272,120 was principally a result of the following changes:

i) The following chart illustrates the general and administrative expenses (November 30, 2013 - $1,193,415; November 30, 2012 - $1,385,685):

![General and Administrative Expenses Chart]

General and administrative expenses decreased by $192,270 and principally relate to the following:

- Decreases in repairs and maintenance of $80,103 to $76,841 principally pertaining to the repair of the infrastructure at the South Rodney oilfield in the prior period and a reduction in general shop supplies in favour of acquiring supplies directly related to revenue projects.

- Decrease in professional fees of $72,793 to $96,392 relate to international tax and legal work that was undertaken in the prior reporting period.

- Decreased wage and employee benefits of $63,824 to $362,367 related to more direct labour being allocated to revenue generating projects (i.e., cost of sale) and the restructuring of staff in Canada and in the United States to undertake Powerwave stimulations and workovers.

- Decreases in bad debts of $45,410 to $192, which relates to comparative period pertaining to the collectability of a particular US Powerwave client.
Offsetting the above noted decreases were increase of consulting fees of $37,930 to $247,763 related to the engagement of marketing consultants used to incorporate media into the Company’s investor relations and business marketing, placement of editorials in trade magazines, for investor relations, strategic planning, engineers related to the up hole Powerwave tool designs, and health and safety audits. In addition there was an increase of stock compensation of $23,604 to $42,955 related to the accelerated amortization of stock compensation that is required under IFRS.

ii) A decrease of $90,672 in “research and development” expenses related to the comparative periods development of two up-hole Powerwave tools and work with a Powerwave client to prove out the efficacy of the affects of Powerwave on production and estimated ultimate recovery.

The focus on tool development is to provide the Company with continued competitive advances, and expand the environments in which the tools can deliver the Powerwave process. It is believed that a surface tool will assist in potential Powerwave acceptance in mature field revitalization as, amongst other things: (a) the cost to install a Powerwave system will be greatly reduced; (b) clients have a predisposition to rent surface-based tools and capitalize downhole tools, (c) ease of serviceability; and, (d) observation of tool functionality.

It is believed that the Company’s investment in tool research and development will assist in future revenue growth.

iii) Offsetting the above decreases was a slight increase in selling and marketing expense of $15,401 from the comparative period. The management of selling and marketing expense is in an effort to ensure that these expenses relate to more near term revenues.

Net Finance Section of Income

Interest income under IFRS is stated separately in the financing section of the condensed consolidated statement of loss and comprehensive loss under financing income. Interest earned for the reporting period decreased to $24,875 compared to $35,948 for the comparative period. The decrease of $11,073 relates to lower principal balances as cash on hand was used for the building of tools for all product lines, and the funding of operations.

Accretion expense totalling $nil (2012 - $317), foreign exchange gain totalling $1,504 (2012 - $19,074) and interest expenses totalling $487 (2012 - $1,774) are reported as a “financing costs” under IFRS.
Operating Cash Flows

The following table sets out the cash used in operations for the first quarter ended November 30, 2013 and 2012:

<table>
<thead>
<tr>
<th></th>
<th>As at November 30, 2013</th>
<th>As at November 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss and comprehensive loss</td>
<td>$ (783,391)</td>
<td>$ (1,005,061)</td>
</tr>
<tr>
<td>Items not affecting cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>409,526</td>
<td>414,422</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>71,935</td>
<td>22,461</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>1,669</td>
<td>-</td>
</tr>
<tr>
<td>Impact of foreign translation</td>
<td>(985)</td>
<td>-</td>
</tr>
<tr>
<td>Funds from (used in) operations</td>
<td>(301,246)</td>
<td>(568,178)</td>
</tr>
<tr>
<td>Net change in non-cash working capital items</td>
<td>(499,600)</td>
<td>(598,656)</td>
</tr>
<tr>
<td>Cash used in operating activities</td>
<td>$ (800,846)</td>
<td>$ (1,166,834)</td>
</tr>
</tbody>
</table>

Funds used in operations increased by only $97,784 to $301,246 from the funds used in operations for prior quarter, i.e., the three months ended August 31, 2013, of $203,462. Management believes that over time, the funds used in operations should decrease as revenue grows and as it focuses expenditures on nearer term revenues. Wavefront will continue to strive to working towards sustainability while trying to accelerate revenue growth, which means that Wavefront does not expect to be cash flow positive in the near term.

Net Loss and Comprehensive Loss, and Loss Per Share

The basic and diluted net loss for the quarter ended November 30, 2013 decreased by $221,672 to $783,391 ($0.0094 per share), compared to $1,005,061 ($0.0121 per share) in 2012.

Earnings before interest tax, depreciation and amortization (“EBITDA”)

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

<table>
<thead>
<tr>
<th></th>
<th>As at November 30, 2013</th>
<th>As at November 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$ (783,391)</td>
<td>$ (1,005,061)</td>
</tr>
<tr>
<td>Items not affecting cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>409,526</td>
<td>414,422</td>
</tr>
<tr>
<td>Interest and tax expense</td>
<td>2,265</td>
<td>1,769</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ (371,600)</td>
<td>$ (588,870)</td>
</tr>
<tr>
<td>EBITDA loss per share</td>
<td>$ (0.004)</td>
<td>$ (0.007)</td>
</tr>
</tbody>
</table>

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 $603,853 to $13,147,760 from the prior year end. Of the net decrease, $986,045 relates to a reduction of cash resource, of which $118,695 was used for the acquisition of additional Powerwave tools and equipment, $66,504 relates to the acquisition of intellectual property licences and patents, and $800,846 was used to fund operations.

The changes in accounts receivable reflect timing differences in incurring installation expenses and collecting receivables and are directly related to increased Powerwave contracts and our financial accounting policy of recognizing Powerwave revenues and direct costs equally over the term of the contracts.

Non-current assets included a decrease of $163,342 in property, plant and equipment, which is composed of: $281,096 relating to depreciation, $118,695 relating to purchases, $728 relating to the impact foreign translations, and $1,669 relates to a gain on disposals. Non-current assets also included a decrease of $61,669 in intangible assets to $3,885,909, which is composed of: $128,430 relating to amortization, $66,504 relating to purchases and $257 relating to the impact of foreign translation.

Oilfield Property, Plant and Equipment

The initial acquisitions of oilfield leases were to allow the collection of and auditing of Powerwave data, and to showcase our Company’s technologies and test new tool designs. As Wavefront’s clients gain their own experience as to the effectiveness of Powerwave, collect their own Powerwave data and results and there is a greater commercialization of the Powerwave technology across the market, the strategic importance of Wavefront’s oilfield assets has diminished. The data however, originally obtained from our Company’s various oilfield leases and related assets led directly to the early market adoption, and subsequent expansion, of Powerwave’s commercialization.

Rodney South Oilfield

As at August 31, 2013, the Company’s board of directors approved the disposition of the South Rodney related assets and liabilities as its oilfields were not strategic to future operations. The Company is committed to a plan of sale, and believes that it is highly probable that the sale will close within the near future. As such Wavefront classified the South Rodney oilfield assets with a recorded net book value of $702,426, and liabilities, inclusive of the decommissioning obligation with a record net book value of $38,345, as held for sale. With the change in classification at the 2013 year-end, the Company attributed a fair value of $nil to the South Rodney oilfield related assets and liabilities, and recorded a write-down of $674,091 that is attributed to costs of sales.

The Corporation will continue to recognize its proportionate revenues and expenses of the jointly controlled assets till disposition closes.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Liabilities

Total liabilities, consisting of accounts payable and accrued liabilities, decreased by $117,178 from the prior year-end to $1,164,194 from $1,281,372. Of the current liabilities, $486,394 relates to trade accounts payable, and $ 677,799 relates to accruals related to the design and manufacturing of Powerwave tool inventory, sales and marketing liabilities and other various corporate services.

Liquidity

The following table presents working capital information as at November 30, 2013 and August 31, 2013:

<table>
<thead>
<tr>
<th></th>
<th>As at November 30, 2013</th>
<th>As at August 31, 2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>13,147,760</td>
<td>13,751,613</td>
<td>(603,853)</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,164,194</td>
<td>1,281,372</td>
<td>(117,178)</td>
</tr>
<tr>
<td>Working capital</td>
<td>11,983,566</td>
<td>12,470,241</td>
<td>(486,675)</td>
</tr>
</tbody>
</table>

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

Wavefront continues to monitor its cash reserves and working capital to ensure its sustainability. If management reorganized the Company with the primary objective of being cash flow positive, it would be at the cost of future revenue growth. Management will continue to try to balance Wavefront’s sustainability with future revenue growth objectives.

Wavefront believes that its working capital position will continue to fluctuate and our Company’s cash flow break-even will also be affected by the product mixes between tubing pumps and bailers, Powerwave performance drilling (new product line); well stimulation; and, mature field revitalization as well as Primawave applications, which have changed with the Company’s strategic realignment in marketing focus.

It is believed that, as our clients experience positive Powerwave results, further uptake of the Company’s technologies will result in future cash inflows, but the Company will be required to invest in additional Powerwave tool inventories.

In a prior year, Wavefront issued a Letter of Credit for $260,000 as security for the Company’s new Edmonton office and warehouse lease. The value of the Letter of Credit declines each year by $65,000 to year four (i.e., 2014) and then is terminated in year five (i.e., 2015). As security against the Letter of Credit, the Company pledged a Guaranteed Investment Certificate as security. As at November 30, 2013 the balance of the Letter of Credit was $130,000. The balance of the Company’s capital is not subject to any external restrictions.

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

Financings

During the reporting periods the Company undertook no financings.
Capital Resources

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

- To continue to build an inventory tool systems for all product lines for deployment to external clients;
- To support the marketing efforts with, and to train all licensees on, the implementation of our Company’s core technologies; and,
- To design and build additional tool systems to allow Wavefront to expand the applications of its core technologies.

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

As of January 27, 2013, there are no amounts owed in respect of the lines of credit and Wavefront had $9,940,509 of cash on hand. Of the cash on hand, Wavefront has $8,687,000 in Term Deposits on deposit with TD Canada Trust, a Canadian chartered bank. The investments in Term Deposits range from ninety days or less, maturing on January 29, 2014 and February 14, 2014, with a guaranteed interest rate of 1.05%. Credit risk on the Term Deposits investment is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of TD Canada Trust.

**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:

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Less than 1 Year</th>
<th>1 – 3 Years</th>
<th>3 – 5 Years</th>
<th>More than 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease obligations</td>
<td>$2,162,014</td>
<td>$466,783</td>
<td>$765,128</td>
<td>$488,241</td>
</tr>
</tbody>
</table>

In a prior year, the Company entered into a new office and warehouse space for its Edmonton, Alberta facilities. The office and warehouse lease had a commencement date of February 1, 2011 and a ten (10) year term expiring on January 31, 2021. The Company has the option for early termination of the office and warehouse lease after year five (5) for a one-time payment of $100,000. The future commitment in base rental payments is $1,430,349 over the balance of the term.

In addition, in a prior year, the Company entered into a new sales office lease for Calgary, Alberta. The new facilities are to create a greater presence for our Company in Calgary. The office lease has a commencement date of June 15, 2011 and a five (5) year term expiring on June 14, 2016. The balance of the future commitment in base rental payments is $117,404.

As well, in the previous fiscal year, the Company entered into a new office and warehouse lease in Lloydminster, Alberta. The new facilities were required as our other facilities lease expired and to support our growing stimulation
and workover business. The office lease has a commencement date of July 1, 2012 and a five (5) year term expiring on June 30, 2017. The balance of the future commitment in base rental payments is $537,500.

The Company is of the opinion that its working capital position of $11,983,566 as at November 30, 2013 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 our Company’s core Technologies continue to be commercialized and inducements and incentives decrease. As such Wavefront 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 our Company moves forward it will also consider debt financing of its Powerwave tools to better match the assets’ life and revenue stream with the financing sources. Any such financing will be dependent on Wavefront’s credit rating, quality of licensing contracts, etc.

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

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**transactions with related parties**

*Expense transaction*

The Company had 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. The monetary transaction is measured at the exchange amount. During the period, the Company recorded $15,597 (November 30, 2012 - $nil) in consulting expense, with $nil (November 30, 2012 - $nil) included in accounts payable.

*Revenue transactions*

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.

**proposed transactions**

As at August 31, 2013, Wavefront’s board of directors approved the disposition of the South Rodney related assets and liabilities as its oilfields were not strategic to future operations. Wavefront is currently in the process of negotiating a Petroleum and Natural Gas Rights Conveyance Agreement for the sale of South Rodney petroleum and natural gas rights, the miscellaneous interests, and associated assets and liabilities to an arm’s length party. The sale of the South Rodney interests is contemplated to include the purchaser’s assumption of all “environmental liabilities”, including all past, present and future losses and liabilities, claims and other duties and obligations, whether arising under contract, applicable law or otherwise.
There can be no assurance that the sale of the South Rodney related assets and liabilities will close in the near future, or on the terms described above or at all. Please see the forward-looking statement caution on page 19 of this MD&A.

**RISK AND UNCERTAINTIES**

The Company’s business risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2013.

**ENVIRONMENTAL RISK**

The Company’s environmental risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2013.

**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, 2013.

**CHANGES IN ACCOUNTING POLICIES**

The changes in accounting policies are disclosed in Note 2, “Statement of Compliance”, of the Unaudited Interim Condensed Consolidated Financial Statements for the period ended November 30, 2013.

**FINANCIAL AND OTHER INSTRUMENTS**

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

**Credit Risk**

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

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

Fair value of financial instruments

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

SUPPLEMENTARY INFORMATION

SUMMARY OF QUARTERLY RESULTS AND LOSS PER SHARE

The following tables sets forth selected data derived from our consolidated 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 are related notes thereto.

<table>
<thead>
<tr>
<th></th>
<th>1st Qtr Nov 30'13</th>
<th>4th Qtr Aug 31 '13</th>
<th>3rd Qtr May 31 '13</th>
<th>2nd Qtr Feb 28 '13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,646,640</td>
<td>$1,693,856</td>
<td>$1,659,021</td>
<td>$1,027,488</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$(783,391)</td>
<td>$(1,378,359)</td>
<td>$(956,590)</td>
<td>$(1,330,022)</td>
</tr>
<tr>
<td>Basic and diluted loss per share</td>
<td>$(0.009)</td>
<td>$(0.017)</td>
<td>$(0.012)</td>
<td>$(0.016)</td>
</tr>
<tr>
<td>Common shares outstanding</td>
<td>82,956,240</td>
<td>82,926,495</td>
<td>956,240</td>
<td>82,956,240</td>
</tr>
<tr>
<td>Weighted average shares outstanding</td>
<td>82,956,240</td>
<td>82,926,495</td>
<td>956,240</td>
<td>82,956,240</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1st Qtr Nov 30'12</th>
<th>4th Qtr Aug 31 '12</th>
<th>3rd Qtr May 31 '12</th>
<th>2nd Qtr Feb 28 '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,529,585</td>
<td>$1,729,034</td>
<td>$1,396,410</td>
<td>$1,395,002</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$(1,005,061)</td>
<td>$(892,104)</td>
<td>$(1,533,505)</td>
<td>$(1,232,371)</td>
</tr>
<tr>
<td>Basic and diluted loss per share</td>
<td>$(0.012)</td>
<td>$(0.011)</td>
<td>$(0.018)</td>
<td>$(0.010)</td>
</tr>
<tr>
<td>Common shares outstanding</td>
<td>82,956,240</td>
<td>82,926,495</td>
<td>82,916,508</td>
<td>82,847,871</td>
</tr>
</tbody>
</table>

(1) This Financial data has been prepared in accordance with IFRS
(2) All amounts in Canadian dollars except share data
DESCRIPTION OF SHARE CAPITAL

As at November 30, 2013, Wavefront’s share capital consisted of the following:

<table>
<thead>
<tr>
<th>Common shares</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized:</td>
<td>unlimited</td>
</tr>
<tr>
<td>Issued and outstanding:</td>
<td></td>
</tr>
<tr>
<td>Free trading</td>
<td>82,956,240</td>
</tr>
<tr>
<td>Convertible into common shares</td>
<td></td>
</tr>
<tr>
<td>Incentive stock options</td>
<td>2,095,000</td>
</tr>
<tr>
<td></td>
<td>2,095,000</td>
</tr>
<tr>
<td>Fully diluted share capital:</td>
<td>85,051,240</td>
</tr>
</tbody>
</table>

As at January 24, 2014, Wavefront’s number of issued and outstanding shares is 82,956,240.

Market for Securities

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

Options granted during the period

The Company maintains a Stock Option Plan under which it may grant options for up to 10,771,558 shares of the Company at an exercise price 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 five years and vest in equal tranches at three (3) month intervals over a period of eighteen (18) months.

No incentive stock options were issued during the reporting period.
Options outstanding

As at November 30, 2013

<table>
<thead>
<tr>
<th>Date Granted</th>
<th>Expiry Date</th>
<th>Number of Incentive Stock Options</th>
<th>Exercise Price per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 22, 2013</td>
<td>February 22, 2018</td>
<td>630,000</td>
<td>0.38</td>
</tr>
<tr>
<td>November 12, 2013</td>
<td>November 12, 2018</td>
<td>75,000</td>
<td>0.41</td>
</tr>
<tr>
<td>January 5, 2009</td>
<td>January 5, 2014</td>
<td>450,000</td>
<td>0.59</td>
</tr>
<tr>
<td>July 8, 2009</td>
<td>July 8, 2014</td>
<td>5,000</td>
<td>0.59</td>
</tr>
<tr>
<td>September 28, 2011</td>
<td>September 28, 2016</td>
<td>55,000</td>
<td>0.72</td>
</tr>
<tr>
<td>September 4, 2009</td>
<td>September 4, 2014</td>
<td>245,000</td>
<td>0.72</td>
</tr>
<tr>
<td>December 20, 2011</td>
<td>December 20, 2016</td>
<td>75,000</td>
<td>0.73</td>
</tr>
<tr>
<td>September 14, 2010</td>
<td>September 14, 2015</td>
<td>530,000</td>
<td>0.97</td>
</tr>
<tr>
<td>July 14, 2010</td>
<td>July 14, 2015</td>
<td>30,000</td>
<td>1.45</td>
</tr>
</tbody>
</table>

2,095,000

CONTROLS AND PROCEDURES

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

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

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

However, the Company’s Management, and its certifying officers on the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that Annual Form. The Annual Form does contain representations which confirms that management has established processes, which are in place to provide the certifying officers with sufficient knowledge to support their written representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and that (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.
The Company’s certifying officers of the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that certificate. However, the reader should be aware that inherent limitations on the ability of the certifying officers to design and implement, on a cost effective basis, DC&P and ICFR for the Company as defined in NI 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation, including this Management Discussion & Analysis.

**FORWARD-LOOKING INFORMATION**

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

- under the heading “Outlook” the outlook for Wavefront’s business, its plans to capitalize on new business, expectations regarding the new business model and discussions of how goals will be achieved;

- under the heading “Overall Results from Operations”, Wavefront’s expectations regarding the impact of a realignment of focus on revenue, expectations for future international revenues, expectations once Powerwave is fully commercialized, the belief that Powerwave well stimulation revenues will grow in 2014, discussions of goals relating to expansion of client base, the expectation that the commissions program will lead to future international EOR revenue (which is also discussed under the fourth quarter results heading), discussions of Wavefront’s goals, including expansion of technology offerings and the focus on surface tool development and hopes for future commercialization;

- under the heading “Liquidity and Capital Resources”, Wavefront’s beliefs about its working capital position and cash flow break even, its expectations about cash inflows and investment given positive Powerwave results 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” section in this Management Discussion and Analysis. In determining Wavefront’s forward-looking statements, Wavefront considers material factors including assumptions and expectations contained in the “Technology Adoption” section, as well
as 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. 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 December 17, 2013, 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).