Wavefront Technology Solutions Inc.

Quarterly Report

For the first

Quarter ended

November 30, 2015

The following discussion and analysis of financial results should be read in conjunction with the unaudited financial statements and the accompanying notes for the quarter ended November 30, 2015 and is based on information available to January 29, 2016. Additional information on Wavefront Technology Solutions Inc.'s (the "Company" or "Wavefront") is available on SEDAR at www.sedar.com.

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

MANAGEMENT'S RESPONSIBILITY

Management has prepared this Management's Discussion and Analysis ("MD&A"). The MD&A is based upon Wavefront Technology Solutions Inc.'s (the "Wavefront" or "the Company") financial results prepared in accordance with IFRS. The MD&A primarily compares the unaudited financial results for the first quarter ended November 30, 2015 to November 30, 2014. 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 International Financial Reporting Standard's ("IFRS") financial records (also see section titled "Controls and Procedures" page 15). The financial information presented throughout this MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the quarter ended November 30, 2015 as well as the audited consolidated financial statements for the period ended August 31, 2015 and 2014 and the related notes.

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

The Audit Committee of the Board of Directors, whose members are independent as defined in National Instrument 52-110: Audit Committee, met to review the condensed consolidated interim financial statements with management, and has reported to the Board of Directors thereon. On the recommendation of the Audit Committee, the Board of Directors has approved the condensed consolidated interim financial statements on January 29, 2016.

NON-IFRS MEASURES

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

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

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

- Cash 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 used in operating activities is a component of the IFRS consolidated statement of cash flows;

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

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

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

OVERVIEW OF BUSINESS

As an Oil Field Service ("OFS") technology service provider Wavefront is a world leader in injection methods that improve the distribution of fluids in the ground. Marketed under the brand name, "Powerwave", the technology is a proven and cost-effective method for increasing oil and gas production with existing infrastructure.

Wavefront's technology, services, and equipment can be found throughout the globe with projects and/or marketing affiliations in ten countries. Wavefront focuses on two primary areas to maximize oil and gas productivity with exploration and production companies ("E&P's"):

i. Oil and gas well stimulation (revitalizing individual well productivity); and,

ii. Improved or Enhanced Oil Recovery ("IOR/EOR") by improving fluid flow through the oil reservoir.

A single well stimulation is a remedial operation performed on a producing well to restore or enhance productivity. In some instances a chemical is pumped into the well to stimulate a producing interval. In other cases stimulation is used to remove scales such as calcium carbonate or barite, to rid a well of accumulated waxes on tubulars or to remove sand fill. A single well stimulation is generally on the order of one day compared to IOR/EOR flooding operations (i.e. waterflooding) that can last much more than a decade.

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

OUTLOOK

The markets Wavefront serves are large and there is a growing recognition by industry participants, worldwide, of our technologies and the value they create for our customers. The Company believes that no OFS provider has a similar, diverse portfolio of proprietary fluid injection methods, tools, and know-how proven to maximize oil and gas recovery. Overall, financial results remain susceptible to technology adaption rates, client project scheduling, direct and indirect competition, and pricing pressure from customers in a low dollar oil environment.

Like many OFS companies, Wavefront is dependent on the overall health of the global oil and gas industry as the utilization of Wavefront's technology is ultimately driven by oil and gas prices. The collapse in oil prices continues to impact demand for Wavefront technology as E&P's are pressed to reduce both capital and operating costs. It is expected that both national and major E&P's will continue to scale back capital and operating spending and we expect decreased activities in fiscal 2016 including the termination of certain EOR projects despite positive results. Overall, Wavefront expects lower revenue generation in fiscal 2016.

Positioning Wavefront for accelerated growth in good market conditions and safeguarding the Company's balance sheet continues to be at the forefront of Management decisions. Initiatives taken by Management have included a reduction in personnel, salary rollbacks, deferring non-essential capital spending and regulating marketing expenditures. We remain confident that over the long-term Wavefront will succeed in growing market penetration in key geographical regions. Should however, industry economic adversities deepen, Wavefront may ensure its sustainability by further cost reductions and focusing its resources on the markets and products that provide the greatest positive contribution margins.

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.

In spite of the challenges in the energy industry, in the first quarter ended November 30, 2015, Wavefront was able to increase revenues by $220,950 or 31.9% to $914,631 and decrease expenses by $51,356 over the prior quarter (i.e., the three months ended August 31, 2015). The increase in revenues can in part be attributed to the installation of four Powerwave IOR/EOR tools in Argentina in late August 2015, resulting in the recognition of $108,719 in revenues in the reporting quarter.

Notwithstanding revenues being down $578,959 from the comparative quarter ended November 30, 2014 the Company was able to decrease expenses by $2,592,671 or 61.3% for a net favourable impact to equity of $2,013,712 as compared to the comparative quarter of 2014. Excluding non-cash impairment charges in the comparative quarter of $2,054,590, the Company was able to reduce expenses by $538,081 or 24.8% over the comparative quarter. Of the expense reductions over the comparative quarter, $328,034 relates to reductions in general and administrative, and sales and marketing expenses. As a result and in contrast to the reductions in revenue, the Company was able to reduce cash used in operating activities by $250,349 to $248,198 for the three months ended November 30, 2015, and cash and cash equivalents decreased by $277,027 since end of fiscal 2015.

Impairment

As at November 30, 2015, the Company assessed impairment indicators for the Company's cash generating units ("CGUs") and concluded no impairment indicators were present.

In the comparative quarter ended November 30, 2014, the Company determined that impairment indicators existed related to the Company's market capitalization being below the carrying value of its net assets, the drop in and volatility in crude oil prices, and the changes to operating and capital budgets of E&P company budgets. The Company's most

significant CGU is the Powerwave CGU, and the recoverable amounts at November 30, 2014 were determined based on a value-in-use calculation and fair value less costs of disposal. The recoverable amount of tools and equipment within the property, plant and equipment category of the Tubing Pump and Bailer CGUs was determined based on a fair value less costs of disposal by applying market prices for recent sales and licenses of similar assets. Similarly, the fair value less costs of disposal for certain leasehold improvements, computer, automotive, office and shop equipment was determined based on market prices and subleases for similar assets. The market prices used for recent sales and licenses of tools and prices for other assets and subleases are considered Level 2 inputs.

During the quarter ended November 30, 2014, the Company recognized an aggregate non-cash impairment charge of $2,054,590, which is allocated to the assets in the Powerwave CGU consisting of $1,655,206 non-cash impairment charge for property, plant and equipment and $399,384 non-cash impairment charge for intangible assets.

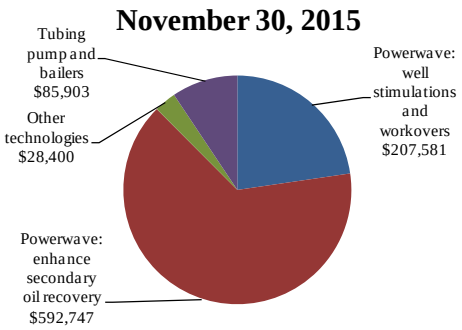
These non-cash impairment charges do not have an impact on the Company's cash flows from operating activities and will not have an impact on the CGUs' future operations. There is a significant amount of uncertainty with respect to the estimates of the recoverable amounts of the CGU's assets given the necessity of making key economic assumptions about the future. The key assumptions, variables and sensitivity of those assumptions are outlined in Note 3 to the Consolidated Financial Statements.

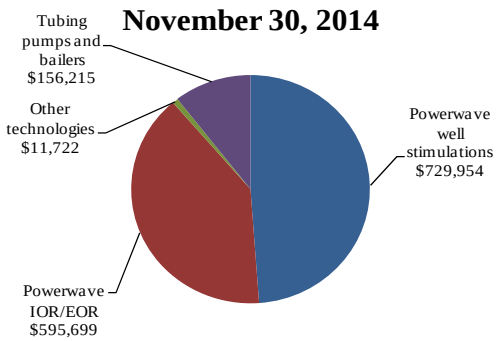
Given the continued volatility of markets, the Company will continue to monitor impairment indicators and to test for the recoverable amounts of the various CGUs as required.

Consolidated Results – three months ended November 30, 2015

Revenues

Revenues for the three months ended November 30, 2015 were $914,631, a decrease of $578,959 over the comparative quarter ended November 30, 2014 that recognized revenues of $1,493,590. The changes in product line mix can be characterized as follows:





Revenue attributed to Powerwave product lines were $800,328, a decrease of $525,325 over revenues in the comparative quarter of $1,325,653. However, the Powerwave revenues increased by $201,018 over the prior quarter (i.e., three months ended August 31, 2015). 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 in IOR/EOR projects.

For the first quarter 2016, the total revenue related to Powerwave IOR/EOR projects totalled $592,747 compared to $595,699 in the comparative quarter. Of the $592,747 of revenue related to Powerwave IOR/EOR projects $112,192 related to Canadian projects, and $480,555 related to international projects. International IOR/EOR project revenues are denominated in United States currency. At each reporting date all foreign currency projects are translated into Canadian currency. Current exchange rates have positively impacted international IOR/EOR project revenue recognition.

For the first quarter 2016, Powerwave revenues related to well stimulations totalled $207,581, a decrease of $522,373, compared to $729,954 in the comparative quarter. The collapse in oil prices has had a substantive impact on Powerwave stimulation revenues as E&P's are pressed to reduce both capital and operating costs. E&P financial constraints have also adversely affected the drilling and spudding of wells, which also has a negative effect on potential stimulation work. The Company does not anticipate approaching a return to past Powerwave activity levels until such time there are higher sustained oil prices.

For the first quarter 2016, revenues from the tubing pumps and bailer product totalled $85,903 compared to $156,215 in the comparative quarter. 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 resulting from lower levels of activities in Western Canada stemming from continued low oil prices.

For the first quarter 2016, Other Technology revenues totalled $28,400 for the reporting quarter compared to $11,722 from the comparative quarter. The Company expects to see continued variation in Other Technology revenues quarter over quarter.

Geographically, $212,088 (2015 – $504,740) in revenue was generated in Canada, $159,956 (2015 - $714,017) from the United States, and $542,587 (2015 - $274,833) internationally. In this tumultuous period of low oil prices our Company's goal is to globally set the stage for accelerated growth in good market conditions for both well stimulations and IOR/EOR projects. The geographic revenues are more specifically described as follows:

Canada. Revenues in our Canadian operation decreased by $292,652 to $212,088 compared to $504,740 in comparative quarter. Powerwave IOR/EOR project revenues totalled $112,192 (2015 - $261,000); Powerwave stimulation revenues in Canada totalled $13,993 (2015 - $87,526); and tubing pump and bailer revenues totalled $85,903 (2015 - $156,215).

United States. Revenues in our United States operations decreased by $554,062 to $159,956 (2015 - $714,017). Powerwave IOR/EOR project revenues totalled $nil (2015 - $60,367); Powerwave stimulation revenues totalled $131,556, a decrease of $510,872 over comparative revenues of $642,428; and Other Technology revenues totalled $28,400 (2015 - $11,222).

International: Revenues outside our Canadian and United States operations increased by $267,754 to $542,587 (2015 - $274,833). For Powerwave IOR/EOR projects revenues totalled $480,555 (2015 - $274,333) Powerwave stimulation revenues internationally totalled $62,032 (2015 - $ nil); and Other Technology revenues totalled $nil (2015 - $500).

Direct Expenses

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

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

Costs of sales for the three month period ended November 30, 2015 were $427,662 or 46.8% of revenues (November 30, 2014 - $365,342 or 24.5% of revenues). Costs of sales were negatively impacted by a single Canadian Powerwave IOR/EOR project that is in a loss position, which totalled $112,192 or 26.2% of costs of goods sold. The Canadian Powerwave IOR/EOR project did not commence till the second quarter 2015, and is thus, only impacted the current quarter's costs of sale.

Costs of sales have also been affected by international Powerwave IOR/EOR and stimulation projects, which are more complex, include agent fees, and have a large portion of costs denominated in US currency. Costs of sales associated with international Powerwave IOR/EOR projects totalled $224,608 or 46.7% of international Powerwave IOR/EOR revenue. Costs of sales for all Powerwave IOR/EOR projects approximated 56.8% of Powerwave IOR/EOR revenues, whereas costs of sales for all Powerwave stimulations approximated 29.5 % of Powerwave stimulation revenues.

Gross Profit

The following table sets out the gross profit margins by product line for the first quarter ended November 30, 2015:

	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 592,747	$ 207,581	$ 85,903	$ 28,400	$ 914,631
Costs of sales	336,800	61,160	29,319	383	427,662
	$ 255,947	$ 146,421	$ 56,584	$ 28,017	$ 486,969
Gross profit margin (note 1)	43.2%	70.5%	65.9%	98.7%	53.2%

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, 2014:

	Powerwave EOR	Powerwave Stimulation	Tubing pumps & bailers	Other Technologies	Total
Revenues	$ 368,871	$ 956,783	$ 156,215	$ 11,721	$ 1,493,590
Costs of sales	16,916	264,090	83,514	822	365,342
	$ 351,955	$ 692,693	$ 72,701	$ 10,899	$ 1,128,248
Gross profit margin (note 1)	95.4%	72.4%	46.5%	93.0%	75.5%

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

The Company's goal is to continue to accelerate revenue growth while maximizing gross profit margins.

Other Expenses

Other expenses for the first quarter ended November 30, 2015, amounted to $1,206,519, compared to $3,861,510 in November 30, 2014. Excluding the non-cash impairment charge of $2,054,590 as noted above (page 3) for the first quarter ended November 30, 2014, the Company was able to decrease first quarter ended November 30, 2015 other expenditures by $600,401 over the comparative quarter. The change in expenses was principally a result of the following changes:

i) The recognition of non-cash impairment expense related to the Powerwave, Primawave and Performance Drilling CGUs of $2,054,590 that only occurred in the quarter ended November 30, 2014.

ii) Amortization and depreciation decreases by $258,941 to $121,177 from the comparative quarter. The decrease in amortization and depreciation expense is a result of prior period non-cash impairment charges.

iii) General and administrative expenses decreased by $238,004 (November 30, 2015 - $886,092; November 30, 2014 - $1,124,096) and principally relate to the following:

- Decreases in consulting fees of $64,164 to $45,376 principally relates to the use of external consultants in the comparative quarter for strategic planning which amounted to $47,000. Additionally, the comparative quarter had an increase in certain engineering consulting fees totaling $16,995.

- Decreases in professional fees of $56,878 to $72,448. The decrease of professional fees principally relates to advisory in the comparative quarter associated with: i) transfer pricing and valuation, which is occasionally undertaken when economic circumstances dictate; ii) tax planning; and, iii) international tax consultation to ensure proper withholding and compliance. Also in late fiscal 2015 the Company decided to reduce non-audit advisory fees by eliminating interim quarterly reviews, thus saving the Company approximately $8,830 per quarter.

- Office expenses decreased by $53,054 to $185,983. The decrease of office expenses principally relates to facility related expenses and insurance expenses. Office rental expense declined due to the accrual of the onerous contract and restructuring charge related to the Calgary sales office that the Company recognized in the prior quarter ended August 31, 2015. Other reductions relate to lower consumables and utilization of services, due to lower staff levels.

  Due to the magnitude of insurance premiums and as the exposure of the Company to a catastrophic total loss of the tools is limited to certain situations, which the Company believes has a low probability of occurring, the Company has currently decided to self-insure its tools (see Risk and Uncertainty section, page 12), which has resulted in an approximate saving of $21,000 annually. Additionally, insurance premiums decreased as result of declining revenues.

- Wage and employee benefits decreased by $30,492 to $411,975 despite accruing $76,262 in employment severance packages during the quarter. Eliminating the severance expense for the current quarter, the Company was able to reduce general and administrative wage and employee benefits by $106,753 over the comparative quarter. The decreases principally relates to a decrease in overall staffing levels. Additionally the current reporting quarter benefited from wages and wage benefits being reduced by 7.5%, with Management wage and wage benefits being reduced by up to approximately 10%.

- Decreases in vehicle expenses of $29,817 to $51,113. The decreases principally relates to decreases in fuel of $11,360 and non-sales related ground transportation of $23,985. These decreases related to an ongoing effort to manage these expenses relate to more near term revenues. Offsetting these decreases however, was an increase in vehicle maintenance of $6,500.

iv) Selling and marketing expenses also decreased by $90,030 to $158,818. The decrease principally relates to a reduction of $76,644 in wage expense due to the restructuring of the size of the sales force, specifically in areas where the Company had little sales activities. Additionally, the Company has seen its marketing expenses

decrease by $4,718, and travel and entertainment decrease by $7,594, which is a result of an ongoing effort to manage these expenses relate to more near term revenues.

v) Research and development expense remained relatively stable, decreasing by $13,426 to $40,432. Of the wage expense within research and development $38,696 relates to labour of our physicist and reservoir engineer that support our Powerwave product line. Wage expense remained relatively flat, decreasing by $3,376 as less reservoir engineer research was undertaken. Tool and other research have been managed such that resources are focused on more near term revenues. At present, it is expected that wage expenses related to research and development will be reduced in future periods.

Net Finance Section of Income

Interest income of $22,454 (2015 - $18,032) includes interest earned for the reporting quarter of $16,058 (2015 - $15,758), and foreign exchange gain of $6,396 (2015 – $2,274). Interest earned remained relatively flat despite having lower principal balances in the current reporting period as interest earned was based on an average rate of 1.45% for the quarter ended November 30, 2015 versus 1.05% in the comparative quarter. The increase in foreign exchange gains of $4,122 relates to the strengthening of the US currency.

Financing cost of $1,223 (2015 - $1,452) only includes interest expenses for each period.

Operating Cash Flows

The following table sets out the cash used in operations for the first quarter ended November 30, 2015 and 2014:

	As at November 30, 2015	As at November 30, 2014
Net loss	$ (698,319)	$ (2,716,682)
Items not affecting cash		
Amortization and depreciation	121,177	380,118
Share-based payment	7,977	22,996
Interest expense	1,223	1,452
Impact of foreign translation	497	7,118
Impairment	-	2,054,590
Gain on disposal of property, plant and equipment	-	(5,918)
Funds from (used in) operations	(567,445)	(256,326)
Interest paid	(1,223)	(1,452)
Net change in non-cash working capital items	320,470	(240,769)
Cash used in operating activities	$ (248,198)	$ (498,547)

Although cash used in operating activities decreased by $250,349 or 50.2%, Wavefront will continue to monitor expenses relative to revenue, make strategic and tactical changes where necessary, and work towards sustainability.

Net Loss and Comprehensive Loss, and Loss Per Share

The basic and diluted net loss for the quarter ended November 30, 2015 decreased by $2,018,363 to $698,319 ($0.008 per share), compared to $2,716,682 ($0.033 per share) for the comparative quarter ended November 30, 2014.

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

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

	As at November 30, 2015	As at November 30, 2014
Net loss	$ (698,319)	$ (2,716,682)
Items not affecting cash		
Amortization and depreciation	121,177	380,118
Interest and tax expense	4,967	3,869
EBITDA	$ (572,175)	$ (2,332,695)
EBITDA loss per share	$ (0.007)	$ (0.028)

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 $487,167 to $8,301,580 from the prior year end. Of the net decrease, $277,027 relates to a reduction of cash resources, of which $248,198 was used to fund operations, and $40,629 was used for the acquisition of additional Powerwave tools, equipment and leasehold improvements.

Trade and other receivables amounted to $767,210 (as at August 31, 2015 - $1,283,665), the decrease relates to reductions in trade receivable as the Company is more aggressive in its collection and managing cash. Other receivables 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 $107,912, of which $121,177 relates to amortization, with an offset of $40,629 due to purchases of property, plant and equipment. Deposits decreased by $28,475 as $17,500 was capitalized for leasehold improvements and $10,975 became refundable and were classified as a receivable.

Liabilities

Total liabilities increased by $81,855 from the prior year-end to $795,819. Of the liabilities, $163,419 relates to trade accounts payable, and $632,400 relates to accruals related to the Powerwave project costs, design and manufacturing of Powerwave tool inventory, sales and marketing liabilities and other various corporate services.

Liquidity

The following table presents working capital information as at November 30, 2015 and August 31, 2015:

	As at November 30, 2015	As at August 31, 2015	Change
Current assets	8,301,580	8,788,747	(487,167)
Current liabilities	(795,819)	(713,964)	(81,855)
Working capital(note 1)	7,505,761	8,074,783	(569,022)

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

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., February 1, 2016). As security against the Letter of Credit, the Company pledged a Guaranteed Investment Certificate as security. As at November 30, 2015 the balance of the Letter of Credit was $130,000. Once the Letter of Credit expires on February 1, 2016, none of the Company's capital will be subject to any external restrictions.

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

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

Financings

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

Capital Resources

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

- To maintain an inventory of Powerwave tool systems and related activities; and,
- To support strategic marketing efforts related to near-term revenue generation.

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

As of January 29, 2016, Wavefront had $6,130,724 of cash on hand. Of the cash on hand, Wavefront has $TBD in short term investments. Of the investments $4,500,000 in Term Deposits on deposit with National Bank Financial cashable without penalty on or after 90 days, with $2,500,000 cashable after June 19, 2015 but maturing on March 21, 2016, and $2,000,000 cashable on February 21, 2016 but maturing on November 23, 2016, with a guaranteed interest rates of 1.45% and 1.40% respectively.

In addition the Company has $262,536 on deposit with the TD Canada Trust maturing on January 29, 2016. Of the deposit with TD Canada Trust, $130,000 is invested at an interest rate of 0.55%, and $132,536 is invested at 0.50% but is used as security against a Letter of Credit expiring on January 29, 2016. Credit risk on the Term Deposits investment is linked to the insurance coverage limits as prescribed by the Canadian Deposit Insurance Corporation and that of National Bank Financial and 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:

	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Operating lease obligations	$ 1,857,483	$ 409,061	$ 730,062	$ 682,397	$ 35,963

In a prior year, the Company entered into a new office and warehouse space for its Edmonton, Alberta facilities. The office and warehouse lease had a commencement date of February 1, 2011 and a ten year term expiring on January 31, 2021. The future commitment in base rental payments is $1,102,949 over the balance of the term.

In a prior year, the Company entered into a sales office lease for Calgary, Alberta. The facilities were to create a greater presence for the 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 $25,020 plus operating costs estimated at $45,709. As at August 31, 2015 the workforce at the Calgary location was released, with all Canadian CGU sales now being supported out of the Edmonton and Lloydminster, Alberta locations. Effective December 1, 2015, the Company subleased the facilities, resulting in a recovery of $41,063 in net lease and operating costs.

As well, in a prior 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 stimulation and workover business. The office lease has a commencement date of July 1, 2012 and a ten (10) year term expiring on June 30, 2022. The balance of the future commitment in base rental payments is $133,200.

The Company is of the opinion that its working capital position of $7,505,761 as at November 30, 2015 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 increase over the long term as Powerwave continues to be commercialized and inducements and incentives decrease. Wavefront may consider future financings based on expected need to finance Powerwave tools, working capital, or acquisitions, and will consider debt financing of its Powerwave tools or an acquisition to better match the assets' life and revenue stream with the financing sources. Any such financing will be dependent on Wavefront's credit rating, quality of licensing contracts, etc.

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

In a prior year the Company entered into a Consulting Agreement with a director of the Company to provide certain services, and was amended for a monthly fee of US $3,000 per month. During the three months ended November 30, 2015, the Company recorded $11,885 (November 30, 2014 - $16,769) in consulting expense, with $nil (August 31, 2014 - $nil) included in accounts payable and accrued liabilities.

PROPOSED TRANSACTIONS

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

RISK AND UNCERTAINTIES

Other than the below noted the Company's business risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2015.

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

ENVIRONMENTAL RISK

The Company's environmental risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2015.

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, 2015.

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 quarter ended November 30, 2015.

FINANCIAL AND OTHER INSTRUMENTS

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

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. Wavefront's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable. Concentrations of credit risk with respect to 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 unaudited condensed consolidated interim financial statements for each of the eight most recently completed quarters. This information should be read in conjunction with the applicable interim unaudited and annual audited financial statements and related notes thereto.

	1st Qtr Nov 31 '15	4th Qtr Aug 31 '15	3rd Qtr May 31 '15	2nd Qtr Feb 28 '15
Fiscal 2014				
Revenue	$ 914,631	$ 693,681	$ 1,213,218	$ 1,059,555
Net Loss	$ (698,319)	$ (952,640)	$ (765,016)	$ (4,089,528)
Basic and diluted loss per share	$ (0.008)	$ (0.011)	$ (0.009)	$ (0.049)
Common shares outstanding				
Weighted average shares outstanding	82,956,240	82,956,240	82,956,240	82,956,240

	1st Qtr Nov 30 '14	4th Qtr Aug 31 '14	3rd Qtr May 31 '14	2nd Qtr Feb 28 '14
Revenue	$ 1,493,590	$ 1,486,805	$ 1,499,056	$ 1,247,048
Net Loss	$ (2,716,682)	$ (1,005,009)	$ (2,276,242)	$ (1,136,653)
Basic and diluted loss per share	$ (0.033)	$ (0.012)	$ (0.027)	$ (0.014)
Common shares outstanding				
Weighted average shares outstanding	82,956,240	82,956,240	82,956,240	82,956,240

note 1: All amounts in Canadian dollars except share data

DESCRIPTION OF SHARE CAPITAL

As at November 30, 2015, Wavefront's share capital consisted of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading		82,956,240
Convertible into common shares		
Incentive stock options	2,345,000	
		2,345,000
Fully diluted share capital:		85,301,240

As at January 29, 2016, 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 quarter

No options were granted during the reporting quarter.

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

Options outstanding

As at November 30, 2015

Date Granted	Expiry Date	Number of Incentive Stock Options	Exercise Price per Share $
March 17, 2015	March 17, 2020	900,000	0.12
February 21, 2014	February 21, 2019	825,000	0.315
February 22, 2013	February 22, 2018	500,000	0.38
November 12, 2012	November 12, 2017	75,000	0.41
September 28, 2011	September 28, 2016	45,000	0.66
		2,345,000	

CONTROLS AND PROCEDURES

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

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

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

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

The Company's certifying officers of the Annual Form are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in that certificate. However, the reader should be aware that inherent limitations on the ability of the certifying officers to design and implement, on a cost effective basis, DC&P and ICFR for the Company as defined in NI 52-109, may result in additional risks

to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation, including this Management Discussion & Analysis.

FORWARD-LOOKING INFORMATION

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

- *under the heading "Outlook" the outlook for Wavefront's business and its long-term plans, including the potential necessity for further cost reductions;*
- *under the heading "Liquidity and Capital Resources", Wavefront's beliefs about its working capital position and cash flow break even and its use of cash; and*
- *under the heading "Contractual Commitments", Wavefront's beliefs about working capital sufficiency and potential sources of financing.*

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

The forward-looking statements contained herein represent Wavefront's expectations at January 29, 2016, 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).