Wavefront Technology Solutions Inc.

Quarterly Report

For the third

Quarter ended

May 31, 2019

The following discussion and analysis of financial results should be read in conjunction with the unaudited financial statements and the accompanying notes for the quarters ended May 31, 2019 and 2018 and is based on information available to July 29, 2019. 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 periods ended May 31, 2019 and 2018. 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 20). 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 periods ended May 31, 2019 and 2018 as well as the audited consolidated financial statements for the period ended August 31, 2018 and 2017 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 July 29, 2019.

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", "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.

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

- 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 revenue. Gross profit margin is calculated by dividing the gross profit by revenue. Gross profit is a non-IFRS measure with no comparable IFRS measure;

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

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

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

OVERVIEW OF BUSINESS

As an Oil Field Service ("OFS") provider Wavefront is an industry leader in the advancement of dynamic fluid flow technology for oil and gas well stimulation and Improved/Enhanced oil ("IOR/EOR") recovery. Wavefront's core technology, marketed under the brand name, "Powerwave™", has proven to increase oil and gas production rates; decrease oil production decline rates; and, reduce well stimulation chemical costs while also increasing post-stimulation production or injection sustainability rates.

Powerwave is marketed in two primary areas to exploration and production ("E&P) companies:

i. Well stimulation; and,
ii. Improved or Enhanced Oil Recovery ("IOR/EOR").

A well stimulation is an operation performed on a well to restore or enhance productivity or improve injection. In most instances a chemical is pumped into the well to stimulate a producing or injection interval. In other cases stimulation is used to remove scales such as calcium carbonate or barite, to rid a well of accumulated waxes on tubulars or to remove sand fill. Powerwave stimulations may take several hours to several days.

IOR/EOR targets stranded or bypassed oil in reservoir which is very difficult to produce due to various physical limitations. The common theme in all IOR/EOR (except acoustic or electromagnetic) projects is the injection of a fluid to mobilize bypassed oil. Powerwave IOR/EOR projects are usually 12 months or longer in duration.

Wavefront currently has distribution, agency or representation ("Distributor") agreements that encompass representation in 65 countries and permit Distributors to market and resell the Company's suite of technologies to end users or E&P's. Distributors are effective alternative distribution channels used to leverage Wavefront's global reach as well as reducing the Company's overall infrastructure as the Distributor deals directly with their customers; the end users or E&Ps. The agreements provide that the Distributor is generally responsible for contracting directly with and fulfilling the provision of goods or services to the end user, i.e., E&Ps, or their customers, and thus the Distributor is responsible for the execution and costs of work performance with their customers, inclusive of their customer's satisfaction for its entire general and administrative, sales and marketing expenses. Wavefront is also not exposed to the credit risk decisions of the Distributor; thus, the Distributor bears all risks and rewards in dealing with its customers. Like any other customer Wavefront does however, have credit risk in collections from its Distributors.

Distribution agreements do not generally provide for established pricing to end users or E&P's in each country but instead provide a pre-negotiated amount that Wavefront can expect to receive for each bundled Powerwave job or service the Distributor provides to the end user or E&P. The Distributors however, are entitled to deduct any commissions, fees or foreign tax withholdings from any amounts paid to Wavefront; thus, Wavefront recognizes the net amounts received in its revenue recognition. Wavefront is responsible for supplying Powerwave tools to the distributor; Powerwave tool replacement, if needed; certain proprietary inventory type items required to rebuild or refurbish Powerwave tools, or consumables; and, if needed all Powerwave modeling, and the provision of remote technical support.

Wavefront also sells directly to end users or E&Ps, and other non-distributors, in which case the Company is responsible for fulfilling the provision of goods or services to the end user, i.e., E&Ps. In dealing with end users or E&P or non-Distributor, Wavefront negotiates an amount that it can expect to receive for each bundled Powerwave job or service.

Wavefront has typically, regardless of dealing with an end user or E&P directly as a customer or dealing with its Distributors and despite the type of application or product line (e.g., a Powerwave stimulation or IOR/EOR project), bundled its services, jobs or projects, which may include some or all of: modelling and programming, tool mobilization and installation, tool rental (or sale), Powerwave licensing, and demobilization. As all Powerwave components are transferred consecutively to the customer (i.e., regardless if an E&P or non-distributor, or a Distributor), the customer only receives economic benefits from the Powerwave service over the licensed period (i.e., be it a shorter period for Powerwave stimulation or a longer period for an IOR/EOR project).

Many Powerwave tools carryout a patented process; thus, the operation of such tools requires a limited license. Wavefront's patent portfolio encompass i) a utility patent(s) related to the general process of dynamic fluid injection (i.e., the Powerwave process) where there is communication with the well bore and geological structure; and, ii) design patents which cover specific tool designs that provide for dynamic fluid injection. Wavefront's patents were registered in various jurisdictions where the Company anticipated future work, and have various expiry dates. As a result, the Company generates revenues in some countries where it does not have registered patents, but is protected by its licenses, non-compete and non-circumvent agreements, other intellectual properties (such as the proprietary Powerwave model), etc.

In addition to the aforementioned patent portfolio, the Company's intellectual properties include "know how" or trade secrets to install and to properly operate Powerwave tools, and a proprietary model which details predictive outcomes and operating protocols for Powerwave well stimulations as related to specific reservoir conditions. The proprietary model, in certain geographic regions, may be more integral to the Company's current business than its patents. As Distributor's essentially re-sell to their customers, Wavefront provides "certified" training of Distributor personnel in the use of Powerwave tools. However, all Powerwave modelling and job programming is tightly controlled and is performed only by certain Wavefront personnel at the Company's head office in Edmonton, AB.

As a technology based company, Wavefront endeavors to continuously develop new technologies and seek new patents, and as such the Company's intellectual property portfolio will continue to evolve.

OUTLOOK

In the Middle East the first calendar quarter (Wavefront's second / third quarter) tends to be the slowest quarter in the region as National Oil Companies (NOC's) ramp up their yearly plan. Activity levels gain strength in the second calendar quarter (Wavefront's third / fourth quarter) and continue to build with the fourth calendar quarter (Wavefront's first / second quarter) seeing the highest activity level. As such the offset of timing in activity levels sequentially impacts Wavefront's revenue generating activities and gives rise to the Company's efforts to broaden of its distribution base to reduce such variability. Wavefront continues to monitor the geopolitical situation in the Middle East region and believes that provided there is not an escalation of hostilities there should not be a negative impact on activity levels. As we move into the second half of calendar 2019 we anticipate that Wavefront's Distributors, especially its Saudi Arabian Distributor, will see heightened activity thus having a positive impact on the Company's overall revenue.

In the United States, more specifically Texas, the Company continued to experience slower than anticipated job numbers in its well stimulation business segment as its largest client continues to hold spending. Recently, in California the Company commenced new Powerwave work with a past client looking to improve the quality of its well stimulation work. The client will continue to evaluate the outcome of the Powerwave stimulations and if the target sustainability timeframe is achieved the Company will see further work in the difficult wells.

OVERALL RESULTS FROM OPERATIONS

Wavefront operates with one reportable segment that covers all aspects of the Company's business.

Wavefront considers the basis on which it is organized, including the economic characteristics (such as the nature of the products and service and any bundling or cross use thereof, types of customers, operating segment served within the industry and similarity of segments with other OFS companies, quantitative and qualitative thresholds, etc.) and geographic areas, in identifying its reportable segment. The operating segment of the Company is defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the President and Chief Executive Officer.

Within this MD&A, however, Wavefront provides additional product level information such as revenues by product line and geography, and gross profit margins[1] by product line, as it believes this additional supplemental information is useful to investors with respect to the development of the business.

For the nine months ended May 31, 2019, revenues amounted to $2,669,961 an increase of $411,558 or 18.2% from the comparative reporting period revenues of $2,258,403. Of the revenues for the reporting quarter, $2,410,018 relates to Powerwave stimulations, with $1,942,499 of those revenues being derived from the Middle East, an increase of $566,933 or 41.2% over the comparative period. The Company continued to strongly focus business development efforts with its Distributors in the Middle East and for the nine months ended May 31, 2019 generated revenues of $985,043 in Kuwait, and $894,413 in the Kingdom of Saudi Arabia related to Powerwave stimulations.

The Company continues to work on service orders received in other international jurisdictions where it has Distributors including, but not limited to, Oman where it has recognized Powerwave stimulation and IOR/EOR, and Other Technology revenues of $261,351 for the nine months ended May 31, 2019, of which $174,932 relates to a Powerwave IOR/EOR project and $63,042 relates to Powerwave stimulations. The Company will continue to work with its Distributors to carry out all previously announced service orders in each of the other international jurisdictions and anticipates progress towards completion later in the fiscal year.

By continuing to leverage Wavefront's distribution network with a strong focus on Powerwave well stimulation, the Company increased its gross profits[2] by $498,367 over the comparative period, while also reducing its general and administrative, sales and marketing, amortization and depreciation, research and development expenses, and loss on disposal of property, plant and equipment by $426,076 from the comparative period. As a result, the Company's net loss, for the nine months ended May 31, 2019 decreased by $972,366 or 75.2% to $320,950 (or basic and diluted net loss per share of $0.0037), compared to the comparative period where Wavefront reported a net loss of $1,293,316 (or basic and diluted net loss per share of $0.0156). For the nine months ended May 31, 2019, the Company was also able to generate cash flows from operations of $92,232 an increase of $1,462,746 over the comparative period which saw cash used in operations of $1,370,514.

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

[2] 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 revenue. Gross profit margin is calculated by dividing the gross profit by revenue. Gross profit is a non-IFRS measure with no comparable IFRS measure.

For the third quarter 2019 (i.e., three months ended May 31, 2019) revenues amounted to $831,321 (three months ended May 31, 2018 - $1,125,103). Of the revenues for the reporting quarter, $753,730 relates to Powerwave stimulations, with $605,575 of those revenues being derived from the Middle East.

Cost of sales for the third quarter 2019 were principally affected by: greater proportion of revenues being derived from by product streams with no (i.e., licence royalty revenues) or little direct costs; and fewer Powerwave stimulation tools being requiring refurbishment, and fewer Powerwave stimulations requiring modelling, and thus, less labour was allocated to costs of goods sold and less inventory was consumed than is normally experienced or expected to occur. For the third quarter 2019, the Company has also been able to decrease expenses, excluding costs of goods sold, by $46,865 from the comparative quarter resulting in net losses of $31,179 (or basic and diluted net loss per share of $0.0004), compared to the comparative quarter's reported a net income of $54,383 (or basic and diluted net income per share of $0.0007).

Impairment

As at May 31, 2019, the Company assessed impairment indicators for the Company's Powerwave cash generating unit ("CGU") and concluded that no indicators of impairment were present.

Consolidated Results – nine-months ended May 31, 2019

Revenues

Revenues for the nine months ended May 31, 2019 amounted to $2,669,961, an increase of $411,558 or 18.2% from the comparative period revenues of $2,258,403. Revenues related to Powerwave stimulations for the period ended May 31, 2019 increased by $508,631 or 26.8% to $2,410,018 compared to $1,901,387 in the comparative period. Powerwave stimulation revenues for the reporting quarter from the Middle East had the most dramatic impact to revenue increasing by $566,933 or 41.2% to $1,942,499. North American stimulation revenues totalled $197,743 (2018 - $279,989) and remain behind historical norms, while Powerwave stimulation in other international regions totalled $269,777 (2018 - $245,832).

Revenues for the nine months ended May 31, 2019 related to Powerwave IOR/EOR projects totalled $183,147 (2018 - $225,359). Of the $183,147 Powerwave IOR/EOR revenue, $8,215 relate to unearned revenues that were recognized during the reporting quarter. The Company's sole IOR/EOR project is in Oman and is denominated in United States currency. At each reporting date all foreign currency projects are re-valued and translated into Canadian currency. Current exchange rates may impact international IOR/EOR project revenue recognition amounts.

Geographically, $240,648 (2018 – $411,646) in revenue was generated in North America, $2,140,807 (2018 - $1,513,623) in the Middle East, and $288,506 (2018 - $333,134) in other international geographic regions. The geographic revenues are more specifically described as follows:

> **North America**: Revenues in North America decreased by $170,998 to $240,648 compared to $411,646 in comparative quarter principally due to the below noted Disposition of the tubing pumps and bailer cash generating unit (which in 2018 recorded revenues of $96,450) and the decline of Powerwave stimulation revenues in North America by $82,246 to $197,743 (2018 - $279,989). Powerwave stimulations in North America still have yet to return to historical norms. Other Technology revenues totalled $42,905 (2018 - $35,207).

Middle East: Revenues in the Middle East increased by $627,184 or 41.4% to $2,140,807 (2018 - $1,513,623). Powerwave stimulation revenues in the Middle East increased by $566,932 or 41.2% to $1,942,498 (2018 - $1,375,566); Powerwave IOR/EOR projects revenues totalled $174,932 (2018 - $138,057); and Other Technology revenues totalled $23,377 (2018 - $nil).

Other International: Revenues outside of North America and the Middle East remained relatively flat decreasing by $44,628 to $288,506 (2018 - $333,134). Powerwave stimulation revenues in other international markets totalled $269,778 (2018 - $245,832); Powerwave IOR/EOR projects revenues totalled $8,215 (2018 - $87,302); and Other Technology revenues totalled $10,513 (2018 - $nil).

Cost of Sales

Under IFRS cost of sales includes direct labour, wage benefits and associated stock option benefits, consumable (i.e., inventory) parts, as well as third party installation costs of Powerwave, Other Technology, tubing pump and bailer product lines.

Any losses related to Powerwave projects are immediately recognized and have the effect of increasing direct cost for the period in which they occur or are known to occur. The use of Distributors has resulted in decreases in field labour, field compensation, equipment expenses and consumable parts, as the Distributors are undertaking a greater percentage of these expenses relative to dealing with E&Ps or non-distributor customers.

Cost of sales for the nine month period ended May 31, 2019 were $314,331 or 11.8% of revenues (May 31, 2018 - $401,140 or 17.8% of revenues), which is principally a result of:

i) The comparative period cost of sales were impacted by the higher costs of sale (i.e., higher relative to Powerwave product lines) associated with the Disposition of related assets to tubing pumps and bailer tools;

ii) A one-time expense credit or expense reduction of $29,566 in Powerwave stimulation costs related to the reversal of prior period accruals (i.e., in the quarter ended November 30, 2018);

iii) A greater proportion of product revenues being derived from by product streams with no (i.e., licence royalty revenues) or little direct costs (i.e., minimal well modelling, and / or do not require direct labour or inventory for Powerwave tool refurbishing); and,

iv) Fewer Powerwave stimulations requiring any modelling and thus, less direct labour being allocated.

Cost of sales associated with Powerwave IOR/EOR projects totalled $140,465 or 76.7%, whereas cost of sales for all Powerwave stimulations approximated $165,220 or 6.9% (2018 - $265,003 or 13.9%) of Powerwave stimulation revenues. Powerwave stimulation costs of sales were positively impacted by the aforementioned reduction of $29,566 in accruals in a prior quarter (i.e., the three months ended November 30, 2018). Costs of sales, at least in the near term, will remain variable as the product mix, distribution channel and geography changes.

Expenses

General and administrative, sales and marketing, research and development, loss on disposal of property, plant and equipment, and amortization and depreciation expenses for the nine months ended May 31, 2019, aggregated to

$2,733,339, compared to $3,159,415 in May 31, 2018. The changes within these expenses were principally a result of the following changes:

i) General and administrative expenses decreased by $77,837 (May 31, 2019 - $2,019,769; May 31, 2018 - $2,097,606). The change in general and administrative expenses was principally a result of the following:

- Office expense decreased by $82,950 to $417,171, and principally relate to the below noted Disposition of the tubing pumps and bailer assets and the assignment of the Lloydminster office and warehouse lease.

- Repairs and maintenance expenses decreased by $44,564 to $66,959, and principally relate to the Disposition of the tubing pumps and bailer and related assets and the field work related to that product line.

- Vehicle expenses also decreased by $42,929 to $31,190, and principally relates to the Disposition of the tubing pumps and bailer and related assets and the field work related to that product line, and the increase in work being done through Distributors.

- Share based payments decreased by $13,728 to $29,698. The current period's share based payments relate solely to the Company issued 200,000 stock options to a firm the Company engaged to assist in investment relations. $9,639 in unamortized expense from the valuation of the 200,000 stock options is the only unamortized stock option expense that will be expensed over future periods.

- Offsetting the above noted decreases were increases in: public company and listing fees increased by $50,109 to $199,470; wage, benefits and contract employee expensed increased by $38,596 to $735,627; professional fees increased by $11,531 to $284,309; and consulting expenses increased by $4,771 to $253,092.

  The increase in public company and listing fees principally relate to hiring of investment relations consultant and increases in independent Board member honorariums in the current reporting period. The changes within wage and benefit expenses are principally a function of decrease in allocations to other functional expense categories, in particular costs of goods sold and sales and marketing; as overall wage and wage benefits paid (i.e., irrespective of functional allocation amounts, the wage, wage expense and benefit expense amounted to $1,138,527 whereas as of May 31, 2018 amounted to $1,233,219), the decrease of which relates to the Disposition of the tubing pumps and bailer and related assets. Whereas the increase in professional fees principally relate to non-capital patent legal expense, consultations with securities lawyers and non-audit accounting fees in the current period. The changes in consulting expenses principally relates to an increase of $65,507 in the current periods use of consultants for engineering and indirect sales support, which was offset by the elimination of social media consulting expenses in the comparative period of $31,969.

ii) Selling and marketing expenses decreased by $63,476 to $461,809. The decrease principally relates to decreases in travel related expenses to the Middle East of $98,275, and a decrease of $2,280 in meal and entertainment expenses. Offsetting the aforementioned decreases was a 2019 prior quarter expenditure of $18,722 related to WaveAxe study to validate the micro-fracturing modelling for unconventional reservoirs, an increase in the allocation of wage and entitlement expenses of $15,643, and an increase of $2,570 in marketing, advertising and promotion expenses.

iii) Amortization and depreciation expense decreased by $50,042 to $163,417, from the comparative period. The lower amortization and depreciation expense is a result of prior period non-cash impairment charges.

iv) Offsetting the above noted changes saw research and development expense increased by $22,554 to $87,602. Of the wage expense within research and development $39,732 (2018 - $59,155) relates to labour of a physicist and reservoir engineer that support the Company's Powerwave product line. Other wage expense of $29,592 (2018 - $4,790) and materials consumed of $18,275 (2018 - $1,106) relate to the development of different sized and new Powerwave stimulation and workover tools. Tool and other research have been managed such that resources are focused on more near term revenues.

In addition to the general and administrative, sales and marketing, research and development, and amortization and depreciation expenses, in the comparative period only, the Company incurred a loss on disposal of property, plant and equipment of $258,017. The loss on disposal resulted from the Company's shift in focus to Powerwave stimulations that have more favourable profit margins and a decision to dispose of the tubing pump and bailer CGU, which had a growing trend of unprofitable results. The disposal included: tubing pump and bailer tools at various locations along with certain other property plant and equipment, and inventory, together with the assignment of the Lloydminster field office lease that was assumed by the purchaser (together the "Disposition").

Total consideration for the Disposition was $75,000, which was paid by the purchaser subsequent to the reporting period, with an offsetting recorded net loss on disposal of the property plant and equipment, and inventory of $258,017. The $75,000 consideration was recorded as a receivable as at February 28, 2018 and subsequently collected.

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

Net Finance Section of Income

Financing income of $61,761 (2018 - $14,212) includes interest earned for the reporting period of $25,062 (2018 - $11,630), with the foreign exchange gain of $36,699 (2018 - $2,582). Interest earned in the current period was higher as a result of the private placement that was closed and announced on July 17, 2018 and resulting increase in investments, where as the foreign exchange gain relates to a higher US – Canadian exchange rate, which since May 31, 2019 has declined.

Financing cost of $5,002 (2018 - $5,376) includes interest expense only for the reporting periods of $5,002 (2018 - $5,376).

Operating Cash Flows

The following table sets out the cash used in operations for the nine months ended May 31, 2019 and 2018:

	Nine months ended	
	May 31, 2019	**May 31, 2018**
Net loss	$ (320,950)	$ (1,293,316)
Amortization and depreciation	163,417	213,459
Share-based payments	29,698	50,320
Loss on disposal of property, plant and equipment, and inventory	5,420	264,096
Interest expense	(5,002)	(5,376)
Impact of foreign translation	(24,956)	12,513
Changes to working capital items		
Change in trade and other payables	129,272	(246,222)
Change in prepaid expenses	118,982	(289,106)
Change in unearned revenue	44,681	92,753
Change in deposits	20,188	-
Interest paid	5,002	5,376
Change in trade and other receivables	900	(182,587)
Change in inventory	(74,420)	7,576
Cash used in operating activities	$ 92,232	$ (1,370,514)

In addition to the loss on disposal of property, plant and equipment and inventory in 2018 of $258,017 (as noted in the above Disposition), the Company incurred a loss on disposal of property, plant and equipment of $6,079 that was classified as costs of sale in the condensed consolidated interim statement of net loss.

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

Net Loss and Comprehensive Loss, and Loss Per Share

The net loss for the nine months ended May 31, 2019 decreased by $972,366 to $320,950 (or basic and diluted net loss of $0.0037 per share), compared to the net loss of $1,293,316 (or basic and diluted net loss of $0.0156 per share) for the comparative period ended May 31, 2018.

The comprehensive loss for the nine months ended May 31, 2019 decreased by $952,594 to $318,224 compared to the comprehensive loss of $1,270,818 for the comparative period ended May 31, 2018.

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

The following table sets out the Company's EBITDA loss and EBITDA loss per share for the nine months ended May 31, 2019 and 2018:

	Nine months ended	
	May 31, 2019	May 31, 2018
Net loss	$ (320,950)	$ (1,293,316)
Amortization and depreciation	163,417	213,459
Interest and tax expense	5,102	5,391
EBITDA	$ (152,431)	$ (1,074,466)
EBITDA loss per share	$ (0.0017)	$ (0.0130)

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

Consolidated Results – three months ended May 31, 2019

Revenues

For the third quarter ended May 31, 2019 revenues amounted to $831,321, decreasing $293,782 over the comparative quarter ended May 31, 2018 that recognized revenues of $1,125,103. Revenues related to Powerwave stimulations for the third quarter 2019 decreased by $222,708 to $753,730 compared to $976,438 in the comparative quarter. Powerwave stimulation revenues for the reporting quarter for the Middle East were $605,575 (2018 - $709,795). North American stimulation revenues decreased by $123,437 to total $57,311 (2018 - $180,749) and remain behind historical norms, while Powerwave stimulation in other international regions totalled $90,843 (2018 - $85,894).

For the third quarter 2019 revenues related to Powerwave IOR/EOR projects totalled $31,758 (2018 - $130,666). Of the $31,758 Powerwave IOR/EOR revenue, $8,215 relate to unearned revenues that were recognized during the reporting quarter. The Company's sole IOR/EOR project is in Oman and is denominated in United States currency. At each reporting date all foreign currency projects are re-valued and translated into Canadian currency. Current exchange rates may impact international IOR/EOR project revenue recognition amounts.

Geographically, $95,016 (2018 – $198,748) in revenue was generated in North America, $629,333 (2018 - $799,203) in the Middle East, and $106,972 (2018 - $127,152) in other international geographic regions. The geographic revenues are more specifically described as follows:

North America: Revenues in North America decreased by $103,732 to $95,016 (2018 - $198,748). Powerwave stimulation revenues in North America decreased by $123,437 to $57,311 (2018 - $180,748) and have still to return to historical norms; and Other Technology revenues totalled $37,705 (2018 - $18,000).

Middle East: Revenues in the Middle East decreased by $169,870 to $629,333 (2018 - $799,203). Powerwave stimulation revenues in the Middle East decreased by $104,220 to $605,575 (2018 - $709,795); Powerwave IOR/EOR projects revenues totalled $25,543 (2018 - $89,408); and Other Technology revenues totalled $215 (2018 - $nil).

Other International: Revenues outside of North America and the Middle East decreased by $20,180 to $106,972 (2018 - $127,152). Powerwave stimulation revenues in other international markets totalled $90,844 (2018 - $85,894); Powerwave IOR/EOR projects revenues totalled $8,215 (2018 - $41,258); and Other Technology revenues totalled $7,913 (2018 - $nil).

Cost of Sales

Cost of sales for the third quarter ended May 31, 2019 were $50,281 or 6.0% of revenues (May 31, 2018 - $166,911 or 14.8% of revenues), which is principally a result of:

i) A greater proportion of product revenues being derived from by product streams with no (i.e., licence royalty revenues) or little direct costs (i.e., minimal to no direct labour in well modelling, and / or do not require direct labour or inventory for Powerwave tool refurbishing); and

ii) Fewer Powerwave stimulations being modelled and thus, less direct labour being allocated.

The change within the cost of sales for the third quarter ended May 31, 2019 was principally impacted by fewer Powerwave stimulation tools being refurbished in the current quarter. The refurbishment of Powerwave stimulations tools is anticipated to follow prior reporting period trends in future reporting periods. Cost of sales associated with Powerwave IOR/EOR projects totalled $18,713, whereas costs of sales for all Powerwave stimulations approximated $26,491 or 3.5% (2018 - $117,391 or 12.0%) of Powerwave stimulation revenues.

Expenses

General and administrative, sales and marketing, research and development, and amortization and depreciation expenses for the third quarter ended May 31, 2019, aggregated to $856,802, compared to $903,667 in May 31, 2018. The change in these expenses was principally a result of the following changes:

i) General and administrative expenses decreased by $52,581 (May 31, 2019 - $616,479; May 31, 2018 - $669,060) with the changes principally relating to the following:

- Professional expense decreased by $89,951 to $45,383. The decreases of professional expense principally relate to non-capital patent legal expense, consultations with securities lawyers and non-audit accounting fees in the current period.

- Bad debts decreased by $30,678 to an expense credit of $34 due to two specific bad debts recognized in the comparative quarter and low allowances being made in the current quarter.

- Share based payments decreased by $11,395 to $6,198, and principally relate to period's expensing of share based payments that are nearing being fully expensed.

- Offsetting the above noted decrease were increases in: public company and listing fees increased by $41,594 to $102,938; wages, benefits and contract employee expenses increased by $25,479 to $227,411; consultant expenses increased by $6,056 to $ 60,295; and office expenses increased by $3,289 to $141,811.

  The increase in public company fees principally relates to the hiring of investment relations consultant and increases in independent Board member honorariums in the current reporting quarter, The changes within wage and benefit expenses are principally a function of decrease in allocations to other functional expense categories, in particular costs of goods sold and sales and marketing; as overall wage and wage benefits paid. Whereas the increase in consulting expenses principally relates to increased use of consultants for engineering and indirect sales support.

ii) Amortization and depreciation expenses decreased by $18,658 to $52,197 from the comparative quarter.

iii) Sales and marketing expenses remained flat increasing by $1,494 to $144,734. The changes relate to travel related expenses to the Middle East of $12,116, which was offset by increases of $5,152 in advertising and promotion expenses, and an increase in the allocation of wage and entitlement expenses of $7,599.

iv) Offsetting the above noted changes research and development expense increased by $22,880 to $43,392. Of the wage expense within research and development $6,794 (2018 - $18,297) relates to labour of a physicist and reservoir engineer that support the Company's Powerwave product line. Wage expense decreased by $11,503 as less reservoir engineering research was undertaken. Tool and other research have been managed such that resources are focused on more near term revenues.

Net Finance Section of Income

Finance income of $46,382 (2018 - $3,860) includes interest earned for the reporting quarter of $8,449 (2018 - $3,860), and foreign exchange gain of $37,933 (2018 - $nil). Interest earned in the current quarter was higher as a result of the private placement that was closed and announced on July 17, 2018 and resulting increase in investments, where as the foreign exchange gain relates to a higher US – Canadian exchange rate, which since May 31, 2019 has declined.

Financing cost of $1,799 (2018 - $4,002) includes interest expense for the reporting quarter of $1,799 (2018 - $1,349), with a foreign exchange loss $2,653 in the comparative quarter only.

Operating Cash Flows

The following table sets out the cash used in operations for the third quarter ended May 31, 2019 and 2018:

	Three months ended	
	May 31, 2019	**May 31, 2018**
Net Income (loss)	$ (31,179)	$ 54,383
Amortization and depreciation	52,197	70,855
Share-based payments	6,198	17,593
Loss on disposal of property, plant and equipment, and inventory	4,678	4,011
Interest expense	(1,799)	(1,349)
Impact of foreign translation	(18,575)	4,289
Changes to working capital items		
Change in deposits	20,187	-
Change in prepaid expenses	17,487	47,851
Interest paid	1,799	1,349
Change in unearned revenue	(21,578)	80,578
Change in trade and other payables	(24,379)	57,584
Change in inventory	(42,265)	(7,654)
Change in trade and other receivables	(55,334)	(266,203)
Cash from (used in) operating activities	$ (92,563)	$ 63,287

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

Net Loss and Comprehensive Loss, and Loss Per Share

The net loss for the third quarter ended May 31, 2019 was $31,179 (or basic and diluted net loss of $0.0004 per share), compared to net income of $54,383 (or basic and diluted net income of $0.0007 per share) for the comparative quarter ended May 31, 2018.

The comprehensive loss for the third quarter ended May 31, 2019 $25,789 compared to the comprehensive income of $63,226 for the comparative quarter ended May 31, 2018.

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

The following table sets out the Company's EBITDA loss and EBITDA loss per share for the third quarter ended May 31, 2019 and 2018:

	Three months ended	
	May 31, 2019	**May 31, 2018**
Net Income (loss)	$ (31,179)	$ 54,383
Amortization and depreciation	52,197	70,855
Interest and tax expense	1,899	1,349
EBITDA	$ 22,917	$ 126,587
EBITDA per share	$ 0.0003	$ 0.0015

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 assets decreased by $71,072 to $4,554,862 from the prior year end of August 31, 2018 principally relates to the decreases of $118,982 of prepaid expenses and other current assets, $20,188 in deposits, and $56,571 in property plant and equipment. Offsetting the decreases were increases of cash and cash equivalents and inventories of $51,149 and $74,420, respectively. Changes within prepaid expenses and other current asset principally relate to the recognition of expenses related to the IOR/EOR project in Oman, whereas the decrease in deposits relates to completion of information systems projects to bring the financial software to current versions and the decrease in property plant and equipment is a result of the amortization and depreciation of $163,417 which was offset by purchases of $117,006.

Liabilities

Total liabilities increased by $173,954 from the prior year-end to $1,103,065. Of the changes in liabilities, $132,136 relates to an increase in trade accounts payable, $44,681 relates to an increase in unearned revenue, and $17,243 in employee expenses and entitlements. Offsetting the increases were decreases of $20,162 in trade accruals. Changes in unearned revenue principally pertain to changes in international withholding taxes and payment of IOR/EOR contract amounts ahead of revenue recognition.

Liquidity

The following table presents working capital information as at May 31, 2019 and August 31, 2018:

	As at May 31, 2019	As at August 31, 2018	Change
Current assets	3,630,535	3,624,848	5,687
Current liabilities	(1,103,065)	(929,111)	(173,954)
Working capital[1]	2,527,470	2,695,737	(168,267)

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

The net change in working capital from the prior year's end (i.e., the working capital as at August 31, 2018) saw a decrease of only $168,267 and principally relates to increase in cash and cash equivalents of $51,149, inventories of $74,420, and trade accounts payable and accrued liabilities of $129,273. These increases were offset by decreases prepaid expenses of $118,982.

Working capital as at May 31, 2019 remained relatively stable, declining by $17,331 from the prior quarter ended February 28, 2019.

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

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 July 29, 2019, Wavefront had $2,539,348 of cash and cash equivalents on hand. Of the cash on hand, Wavefront has $1,806,549 in a high interest daily savings account with National Bank Financial with an interest rate of 1.20%.

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

As at May 31, 2019, the Company had yet to achieve profitable operations, had an accumulated deficit of $74,312,955 (August 31, 2018 - $73,992,005), and for the nine months ended May 31, 2019, had a net loss of $320,950 (May 31, 2018 - $1,293,316), but had an increase in cash and cash equivalents of $51,149 (May 31, 2018 – a net decrease of $1,403,566). Whether and when the Company can obtain profitability and positive cash flows from operations for an entire fiscal year is uncertain. The lack of continuing profitable operations may cast significant doubt on the Company's ability to continue as a going concern.

The Company however, has recorded positive cash flows and cash from operation for the nine months ended May 31, 2019, which supports the Company's increasing solvency and ability to continue to beyond at least the next twelve (12) months.

In addition, as reported cash on hand of $2,638,477 as at May 31, 2019, an increase of $51,149 over cash on hand of $2,587,328 that was reported as August 31, 2018, and working capital of $2,527,470 (August 31, 2018 - $2,695,737), which is 2.24 and 2.15, respectively, times greater than the fiscal 2018 cash used in operations of $1,176,064, which supports Management's belief that Wavefront's financial health is improving and has sufficient resources to fund operations beyond at least the next twelve (12) months.

It is anticipated that cash from operations will continue the recent positive trend as Powerwave continues to be commercialized. However, given potential trade conflicts, commodity markets, and the Company's reliance on a few key customers, there exist some uncertainties in the market beyond Management's control. Should certain expected cash inflows not materialize in the amounts or at the times expected, or should the working capital be significantly reduced in the coming fiscal year, the Company may consider seeking additional financings or a restructuring of operations at that time. Wavefront may also consider future financings based on any need to increase working capital, to finance Powerwave tools, accelerate commercialization, or for acquisitions, and may 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. and other relevant financing factors.

Although the Company has and is evaluating financings, any such financing will be dependent on Wavefront's credit rating, quality of licensing contracts, etc. and other relevant financing factors.

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

CONTRACTUAL COMMITMENTS

The Company has entered into long-term contractual arrangements from time-to-time for facilities, lines of credit, and the provision of goods and services. The following table presents contractual obligations arising from these arrangements currently in force:

		Payment Due Period			
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	Greater than 5 Years
Operating lease obligations	$ 381,259	$ 237,408	$ 143,851	$ -	$ -

Note 1: Included in the contractual commitments are future commitments in base rental lease payments related to the Lloydminster office and warehouse. The Lloydminster office lease has a commencement date of July 1, 2012 and an amended term expiring on June 30, 2019. Given the Disposition (as noted above), excluding the base rental lease payments related to the Lloydminster office and warehouse the total payments due would be $224,363, with $143,851 due within one year, $nil due within two to five years.

In a prior year, the Company entered into a new office and warehouse lease for its Edmonton, Alberta operations. The office and warehouse lease had a commencement date of February 1, 2011 and a ten year term expiring on January 31, 2021. The future commitment in base rental payments is $359,627 over the balance of the term.

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 Mr. Roger Kazanowski, a director of the Company, to act as an advisor to senior management in relation to strategic planning and marketing. Mr. Kazanowski was remunerated a monthly consulting fee of US $5,000 per month. During the three and nine months ended May 31, 2019, the Company recorded $nil (May 31, 2018 – $19,269) and $6,599 (May 31, 2018 – $56,996), respectively, in consulting expense, with $nil (August 31, 2018 - $nil) included in accounts payable and accrued liabilities. The compensation was recorded at the translated value of the US monetary consideration paid. Effective September 30, 2018, the Consulting Agreement was terminated with no further commitments to Mr. Kazanowski as a consultant.

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, 2018.

Need For Additional Financing and Going Concern – The Company has yet to achieve profitable operations and the Company's continuing decrease in cash and cash equivalents has given rise to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to obtain profitability and positive cash flows, or to obtain additional financing to meet its obligations as they come due. Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. To the extent the Company requires additional financing in order to continue as a going concern, to make further investments in the technology, to fund unanticipated demand, to take advantage of unanticipated opportunities, to fund the Powerwave tool research and development and manufacturing, or to fund the Company through a protracted commercialization to profitability stage, there can be no assurance that such additional financing will be available to the Company on acceptable terms, or at all. Any financing may be affected by changes in Wavefront's credit rating, general equity market conditions, the volatility of Wavefront's shares, interest rates, and valuation of available collateral. Such financing, if available, might have the effect of diluting the holdings of existing shareholders.

ENVIRONMENTAL RISK

The Company's environmental risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2018.

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, 2018, except as noted in the Changes in Accounting Policies as referenced below.

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 third quarter ended May 31, 2019.

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.

	3rd Qtr May 31 '19	2nd Qtr Feb 28 '19	1st Qtr Nov 30 '18	4th Qtr Aug 31 '18
Revenue	$ 831,321	$ 894,887	$ 943,753	$ 956,626
Net Loss	$ (31,179)	$ (243,823)	$ (45,947)	$ (497,456)
Basic and diluted loss per share	$ (0.0004)	$ (0.0028)	$ (0.0005)	$ (0.0060)
Common shares outstanding				
Weighted average shares outstanding	87,529,350	87,507,380	87,442,903	83,530,011

	3rd Qtr May 31 '18	2nd Qtr Feb 28 '18	1st Qtr Nov 30 '17	4th Qtr Aug 31 '17
Revenue	$ 1,125,103	$ 856,633	$ 276,667	$ 527,437
Net Loss	$ 54,383	$ (511,095)	$ (836,603)	$ (989,465)
Basic and diluted loss per share	$ 0.0007	$ (0.0062)	$ (0.0101)	$ (0.0119)
Common shares outstanding				
Weighted average shares outstanding	82,966,588	82,956,240	82,956,240	82,956,240

DESCRIPTION OF SHARE CAPITAL

As at May 31, 2019, Wavefront's share capital consisted of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading		87,572,573
Convertible into common shares		
Share purchase warrants	4,496,943	
Incentive stock options	2,975,000	
		7,471,943
Fully diluted share capital:		95,044,516

As at July 29, 2019, Wavefront's number of issued and outstanding shares is 87,572,573.

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.

Warrants granted during the period

No warrants were granted during the reporting quarter.

Warrants outstanding

As at May 31, 2019

Date Granted	Expiry Date	Number of Warrants	Exercise Price per Share $
July 17, 2018	July 17, 2019	4,496,943	0.45
		4,496,943	

Subsequent to the reporting period, the Company agreed to extend the expiry date of the 4,341,333 originally issued non-transferable share purchase warrants ("Warrants") issued to investors from July 17, 2019 to July 17, 2020. The extension did not apply to the balance of the 155,610 finder fee's Warrants that were issued at the time of the original private placement, and expired unexercised.

The Warrants will remain exercisable for one common share of the Company at an exercise price of $0.45; provided that, if the volume weighted average trading price of a common share on the TSX Venture Exchange is at a price equal to or greater than $0.65 for a period of more than 20 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the

Warrants will expire on the date that is not less than 30 days from the date notice is provided by the Company to the holder of the Warrant.

Options granted during the period

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 not be less than the "Discounted Market Price" (as defined in the policies of the TSX Venture Exchange), provided that the exercise price shall not be less than $0.05 per share. All stock options awarded are exercisable for a period of up to ten (10) years and vest in equal tranches at three (3) month intervals over a period of eighteen months.

Options outstanding

As at May 31, 2019

Date Granted	Expiry Date	Number of Incentive Stock Options	Exercise Price per Share $
March 17, 2015	March 17, 2020	800,000	0.12
August 4, 2016	August 4, 2026	1,900,000	0.28
January 6, 2017	January 6, 2027	75,000	0.35
April 10, 2018	April 10, 2028	200,000	0.46
		2,975,000	

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 July 29, 2018, and, accordingly are subject to change after such date. Except as may be required by law, Wavefront does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time.

ADDITIONAL INFORMATION

Additional information regarding Wavefront Technology Solutions Inc. can be found on System for the Electronic Document Analysis and Retrieval ("SEDAR" at www.sedar.com).