ENVIRONMENTAL STEWARDSHIP THROUGH SMART INNOVATION

Wavefront Technology Solutions Inc.

Quarterly Report

For the first

Quarter 2022, ended

November 30, 2021

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, 2021 and 2020 and is based on information available to January 26, 2022. 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 under International Financial Reporting Standard ("IFRS"). The MD&A primarily compares the unaudited financial results for the first quarter ended November 30, 2021, and 2020. 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 IFRS's financial records (also see the section titled "Controls and Procedures" page 21). 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 quarters ended November 30, 2021, and 2020, as well as the audited consolidated financial statements for the periods, ended August 31, 2021, and 2020 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; 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 26, 2022.

NON-IFRS MEASURES

The Company uses IFRS, additional and non-IFRS (or non-generally accepted accounting principles or non-GAAP) measures to make strategic decisions, set targets and use in operating activities, and believe that the additional and non-IFRS measures provide useful supplemental information to investors. "Working capital", "other technology revenues", and "EBITDA" are measures used by the Company that may 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);

- 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.

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

Overview of Business

Wavefront, an Oil Field Service ("OFS") company, provides leading-edge fluid flow marketed under the brand name "Powerwave®". Powerwave is utilized in two primary areas by exploration and production ("E&P") companies - optimized oil and gas well stimulation and Improved/Enhanced Oil recovery ("IOR/EOR"). For well stimulation Powerwave® has proven to decrease chemical cost and job execution time; thus, minimizing total job cost while positively impacting post-stimulation results. Powerwave has also been shown to reduce CO_2 emissions during well stimulations and may be used in CO_2 sequestration projects, potentially assisting E&P companies in achieving carbon-neutral targets. In IOR/EOR applications, Powerwave has been shown to improve oil production rates, decrease oil production decline rates, and increase estimated ultimate oil recovery.

Wavefront operates in the global marketplace dealing directly with E&P companies and through a network of international distributors and agents.

A well stimulation is an operation performed on a well to restore or enhance productivity or improve injection. Well stimulations can be subdivided into two categories, in-well/near wellbore damage removal or deep formation damage removal. Whatever the damage mechanism, the flow characteristics of the oil or gas or water injection well are impeded, directly impacting the economics of an oil and gas field. For in-well/near wellbore damage removal, various stimulation approaches are used to remove scales, such as calcium carbonate or barite, to rid a well of accumulated waxes on tubulars or remove sand fill. Well stimulation to address severe formation damage is accomplished through various techniques, but most commonly, acids are pumped into the rock formation to restore a well's productivity or injectivity. Powerwave-related stimulations employ proprietary tools and methods to optimize acid placement during deep formation damage treatment or effectively remove in-well/near wellbore damage. Depending on the nature of the work, Powerwave® stimulations may take several hours to several days.

With the evolution of environmental, social and governance ("ESG") reporting, it is believed that Powerwave® well stimulations may assist many end-users or E&Ps customers in achieving their environmental targets as Powerwave® has been seen (compared to conventional tools) in reducing average operational time, thereby reducing CO_2 emissions, reduce average chemical consumption while increasing post-stimulation outcomes, and increase the period between re-stimulation of the same well.

IOR/EOR targets stranded or by-passed oil in a reservoir that is difficult to mobilize and produce due to various physical limitations. An IOR/EOR project involves the injection of a fluid into the reservoir to mobilize by-passed or stranded oil. The fluids injected from a dedicated injection well are meant to "sweep" oil to adjacent producing wells. Physical limitations associated with IOR/EOR applications such as preferential fluid channeling or fluids travelling the least resistance paths often lead to inefficient oil recovery. Based on multiple global field results, Powerwave-aided IOR/EOR programs have been shown to improve oil recovery, slow the rate of oil production decline, and stabilize water injection. IOR/EOR projects are usually 12 months or longer in duration.

Key components of Wavefront's business model are geographic diversification while focusing on the higher-margin higher rate on capital employed by leveraging the Company's Powerwave® technology. This means the Company will work on projects with E&Ps and leverage other OFS client relations in different geographic regions to increase distribution channels and technology commercialization. In working through other OFS providers as distributors, Wavefront does not need to build and maintain a local presence with field technicians, equipment, or infrastructure in the various geographic markets it serves.

Wavefront thus works through distribution, agency, or representation ("Distributor") agreements that encompass representation in 16 countries (but are active in this reporting period in 7 countries), and permits Distributors to market and resell the Company's Powerwave® suite of technologies to 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. 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 have credit risk in collections from its Distributors.

Distribution agreements do not generally provide for established pricing to end-users or E&Ps 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 fees or foreign tax withholdings from any amounts paid to Wavefront. The Company thus 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 items required to rebuild or refurbish Powerwave tools, or consumables; and, if needed all Powerwave® modelling, 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-users, or E&Ps. In dealing with end-users or E&Ps or non-distributors, 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 highly integrated, interrelated, and interdependent, and are transferred concurrently 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 and rental periods (i.e., be it a shorter period for Powerwave® stimulation or a longer period for an IOR/EOR project).

As a technology company, Wavefront must support the marketing efforts of distributors. The ideal marketing approach for Powerwave® would be for Wavefront personnel or its Distributors' business development team to approach a single or group of engineers who could readily accept the merits of the technology and implement it accordingly. However, the ease of such a marketing approach is not reality. In most cases for most E&Ps, there are multiple groups that must have various criteria satisfied before approving not only a field trial but also ongoing work. For example, the production engineering team may wish to implement Powerwave® for stimulation work however the reservoir engineering team may be unconvinced of the utility of the technology hence the stimulation may not proceed. Alternatively, a research and technology team charged with bringing new technology to an E&P may identify Powerwave® as a unique opportunity for the E&P to exploit to improve oil and gas well stimulation efforts or even a derivative of Powerwave® for enhancing oil recovery by water or CO_2 flooding. Even though the research and technology team may have identified Powerwave as a possible gamechanger for the E&P both the reservoir and production engineering teams must also be convinced. As such marketing Powerwave® to end-users is a multi-pronged approach that may impact the sales cycle.

For water or CO_2 flooding projects, the Company has seen sales cycles from introduction to purchase order and implementation of up to 12 months. For Powerwave® well stimulations, sales cycles may range from several days to several months.

Wavefront's patent portfolio encompasses 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 wellbore 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 patent portfolio, the Company's intellectual properties include "know-how" or trade secrets required to install and 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 Distributors essentially re-sell to their customers, Wavefront provides 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.

Wavefront endeavours to continuously develop new technologies and seek new patents, and as such the Company's intellectual property portfolio will continue to evolve.

OUTLOOK

Despite current oil prices providing much-needed optimism in the oil industry and signs that activity levels will increase versus the retraction in activities experienced over the past eighteen-plus months, there remain both COVID-19 and supply chain delays that present uncertainty surrounding the timing of full-scale work schedules. Such fate has and may continue to adversely impact Wavefront.

While Wavefront has seen new opportunities arise, as is evidenced by multiple well stimulation packages being awarded by new and existing clients, the Company remains wary about its growth prospects in the near term and may continue to experience a period of revenue contraction in several areas we serve, and more specifically in the Middle East where proposed well stimulation budgets for the calendar year 2022 are lower compared to recent years as more investment is being directed to drilling activities. In a particular case, the well stimulation budget for calendar 2022 is approaching the 2016 budget levels. The focus on drilling over well stimulation may result in the Company re-evaluating its marketing approach and presence in several Middle East locations.

With the broadening move towards decarbonization associated with human-induced effects on climate change, OFS companies must adapt and move outside of traditional oilfield services to sectors in the low-carbon space. Wavefront has identified two areas in the low-carbon space where its existing proprietary technologies may play a pivotal role. The first area is CO_2 sequestration, while the second area is geothermal operations.

CO_2 sequestration in geological media is a well-researched and practiced approach. Depending on in-ground temperature and pressure and other characteristics, CO_2 may be stored through several mechanisms in geological media as a gas, a liquid, or in a supercritical state by trapping in porous media such as depleted hydrocarbon reservoirs;

oil reservoirs (EOR); or deep brine aquifers and regional-scale aquifers. The physics of fluid flow in porous media is universal – whether it occurs ten feet deep during environmental groundwater remediation, at eight thousand feet deep during CO_2-driven EOR or twelve thousand feet during salt cavern solution mining. Wavefront's Powerwave® has been broadly used globally in environmental, mining, and oil and gas applications. In Michigan, Mississippi, and Texas, Powerwave® was successfully applied to optimize CO2-driven EOR projects to improve both CO_2 injection rates as well as CO_2 distribution in the subsurface. Given Wavefront's broad-based experience in multiple sectors, we are confident that Powerwave® may be successfully applied to large-scale CO_2 sequestration projects to increase CO_2 injection/sequestration rates; thus, keeping anthropogenic carbon from reaching the atmosphere.

Wavefront's proprietary technology bundle includes fluid-driven tools for removing detritus materials often occurring in oil and gas production or injection wells. Globally, such devices have been successfully used in traditional oil and gas operations thousands of times. While geothermal wells have temperatures up to 325ºC (617ºF) several scale types are prevalent and often found in oil and gas wells. The Company's proprietary tools are currently designed to withstand such elevated temperatures; therefore, they can be immediately used under such conditions. Wavefront and its global OFS distributor are currently evaluating opportunities to deploy Wavefront tools in Europe and North America geothermal operations. Given Wavefront's successful track record in wellbore cleaning, the Company is very confident of success in this potential new market.

Wavefront will continue to exercise disciplined operating cost, and capital expenditure controls moving forward. Wavefront remains committed to strong project execution best-in-class service. It will endeavour to generate solid gross profit margins[1] across all market segments to ensure the Company is best positioned to rebound as the economic recovery unfolds.

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 (i.e., the nature of the products and services 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 as it believes this additional supplemental information is useful to stakeholders with respect to the development of the business.

Throughout fiscal 2021 and continuing into the first quarter fiscal 2022, COVID-19 and the Omicron variant impacted numerous end-users or E&P's directly in that their office facilities and/or oilfields had limited access or were closed for extended periods of time. This impacted Wavefront in that announced and anticipated Powerwave® stimulations could not be completed and thus, revenues were not recognized. Additionally, various end-users or E&Ps were indirectly impacted

[1] 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.

by COVID-19 in that their supply chains (i.e., acid manufacturing and availability, coiled tubing and rig parts and availability, etc.) were and continue to be impacted, thereby also delaying Powerwave® stimulation work and indirectly impacting Wavefront's business. To frame the impact on Wavefront, one new client who was to commence stimulation work in January 2021 has yet to begin operations – an entire year of delay. Currently, all announced Powerwave® stimulation packages and purchase orders remain valid, and continued stimulation work may represent in excess of a threefold increase in fiscal 2021 USA Powerwave® revenues when completed and recognized. Multiple United States' E&P clients have indicated that stimulations may commence in the near future; however, a commencement date, at this time is not assured due to direct and indirect implications of COVID-19. Subject to the commencement and continued quality of Powerwave® service to these existing and new clients, the Company anticipates further awards of Powerwave® well stimulation packages throughout fiscal 2022.

Despite the delays in commencing most Powerwave® stimulation projects, revenues for the first quarter ended November 30, 2021 totalled $427,631, a decrease of only $18,129 from that recorded for the comparative period ended November 30, 2020 of $445,760. Of the revenues for the reporting quarter, $400,448 relates to Powerwave® stimulations, with $305,553 of those revenues being derived from the Middle East. Of the revenues recorded, 92.0% were generated from Distributors. Costs of sale remained increased marginally to $21,993 or 5.1% of recorded revenues (2020 – $18,442 or 4.1% of recorded revenues).

In the Kingdom of Saudi Arabia ("Saudi Arabia"), the National Oil Company ("NOC") throughout fiscal 2021 and into fiscal 2022 has been subject to various government-mandated COVID-19 restrictions. While Saudi Arabia has just recently been progressing towards re-opening business operations and allowing travel for most foreign visitors, the COVID-19 restrictions has hampered the Company's Distributor in its ability to market Powerwave related technology. During the reporting period, the Company was pleased it was able to attend a trade show in Saudi Arabia.

Despite the slow opening of Saudi Arabia, and due to poor local marketing performance, the Company changed Distributors in Saudi Arabia. In addition, and to support the Global Distribution Agreement, as announced September 1, 2021, the Company hired an additional engineer in Saudi Arabia. As a result, the Company saw an increase in general and administrative expenses.

Like Saudi Arabia, the State of Kuwait ("Kuwait"), throughout fiscal 2021 and into fiscal 2022 has been subject to various government-mandated COVID-19 restrictions hampering the Company's Distributor in its ability to market Powerwave related technology. However, due to the Company's efforts, subsequent to the reporting period, the Company announced that it has been placed on a shortlist of vendors to supply technology and equipment for a pilot waterflood. While water is injected by the NOC for disposal and reservoir pressure support, active waterflooding in a traditional pattern configuration has not been implemented to date.

Waterflooding is a method of secondary oil recovery in which water is injected into the reservoir to mobilize by-passed or stranded oil. The water from dedicated injection wells is meant to "sweep" oil to adjacent production wells. Powerwave-aided waterflooding has been shown to improve estimated ultimate recovery ("EUR"), slow the rate of oil production decline, and stabilize water injection. A previous review by Gaffney-Cline and Associates, a well-respected, independent, international oil and gas consulting firm, has validated Powerwave results on a well by well and pattern by pattern basis in certain Canadian projects. EUR was evaluated with two main methods: log q (oil rate) vs. Q (cumulative oil) and log WOR (water-oil ratio) vs. Q decline analysis. The declining trend was estimated before and after the Powerwave installations, and the difference in EUR was quantified. The results summarized in the table below range from 0.7% to 7.4%. The EUR increase is witnessed by either an increase in oil rate, flattening of the oil decline and/or a decrease in WOR (water-oil ratio).

Field Location	Total Incremental Oil (m3)	Total Incremental Oil (bbls)	Average EUR Increase (%)
Alberta Project 1	57,100	359,148	7.42%
Alberta Project 2	20,750	130,514	1.21%
Saskatchewan Project 1	16,900	106,298	2.11%
Alberta Project 3	5,700	35,852	1.32%
Alberta Project 4	3,000	18,869	0.72%
TOTALS	**103,450**	**650,681**	**2.56%**

Wavefront continues to train its Global Distributor's personnel on the Powerwave technologies for marketing purposes and well site candidate selection, most notably in Colombia, Mexico, Brunei, and broadly across Europe.

Subsequent to the reporting period, the Company agreed to amend the General Services Agreement ("GSA") with a United States E&P client, as announced October 13, 2021, such that the commencement date of the GSA will be postponed and commence effective January 1, 2022. All other terms, inclusive of the five-year term and minimum aggregate amounts will remain the same.

CONSOLIDATED RESULTS – THREE MONTHS ENDED NOVEMBER 30, 2021

Revenues

Revenues for the first quarter 2022 ended November 30, 2021 amounted to $427,631 a decrease of only $18,129 from the comparative reporting period revenues of $445,760. Revenues related to Powerwave® stimulations for the reporting quarter totalled $400,448 (November 30, 2020 - $412,298), with Powerwave® stimulation revenues in the Middle East totalling $305,553 (November 30, 2020 - $383,393). Middle East Powerwave revenues were below volume expectations due to the change in distributors, and lower activities primarily in Saudi Arabia related to, amongst other events, oilfield access and related travel restrictions related to COVID-19. In the State of Kuwait however, the volume of Powerwave® stimulations performed exceeded the comparative and prior quarters but did not exceed the minimum guaranteed under agreement with the Company's Kuwait Distributor.

The continued impact of COVID-19 and the Omicron variant has impacted the Company's access to oil field in many geographic locations in which the Company operates. Additionally, various end-users or E&Ps were impacted by COVID-19 in that their supply chains (i.e., acid manufacturing and availability, coiled tubing and rig parts and availability, etc.); however, Wavefront has not been directly impacted by supply chain issues related to Powerwave tool development or deployment. The COVID-19 and the Omicron variant and indirect E&P supply chain issues have delayed oil field stimulation work thereby indirectly impacting the Company's Powerwave stimulation revenues, and as a result, these revenues were lower than expectations.

Despite the strengthening of commodity prices, the vast majority of the individual Powerwave stimulations announced in the fourth quarter 2021 and the first quarter 2022 have yet to be completed due to the aforementioned COVID-19 Omicron variant and the indirect E&P supply chain issues. However, all Powerwave stimulation package purchase orders remain valid, with many E&P clients indicating that stimulations may commence sometime soon. The pervasiveness of COVID-19 and now the Omicron variant continues to have a significant impact on the global economy and disruptions to supply chains and may continue to delay the announced Powerwave stimulation work, the timeframes of such work cannot be certain.

In addition to the impact of decreases in revenues, the current environment has also impacted the Company's liquidity as customers continue to stretch their payments to Wavefront (see Liquidity section on page 14).

Additionally, revenues for the first quarter 2022 in the USA were also not as expected given an agreed delay in the commencement of the GSA and the inability to recognize the associated potential revenues.

Geographically, \$51,655 (November 30, 2020 – \$53,128) in revenue was generated in North America, \$307,042 (November 30, 2020 - \$383,393) in the Middle East, and \$68,934 (November 30, 2020 - \$9,239) in other international geographic regions. The geographic revenues are more specifically described as follows:

North America: Revenues in North America remained relatively flat with recorded revenue totalling \$51,655 compared to \$53,128 in the comparative quarter. Powerwave® stimulation revenues in North America were \$34,260 (November 30, 2020 - \$23,096) and relate solely to the United States as one of the Company's geographic areas of focus. Revenues in North America reported \$17,395 related to Primawave or groundwater remediation (classified as Other Technology activities) revenues in the current reporting quarter (November 30, 2020 - \$30,032).

Middle East: Revenues in the Middle East decreased by \$76,351 to \$307,042 (November 30, 2020 - \$383,393). Powerwave stimulations in the Middle East were \$305,553 (November 30, 2020 - \$383,393), were impacted directly and indirectly by COVID-19 and changing of Distributors. During the reporting period, the Company recognized \$5,700 of Powerwave® stimulation revenues that was recorded as unearned and included in the contract liability at the beginning of the fiscal year. Other Technology revenues totalled \$1,489 (November 30, 20202 - \$nil).

Other International: Revenues outside of North America and the Middle East increased by \$59,695 to \$68,934 (November 30, 2020 - \$9,239). Powerwave® stimulation revenues in other international markets totalled \$60,675 (November 30, 2020 - \$5,810). During the reporting period the Company recognized \$41,618 of Powerwave® stimulation revenues that was recorded as unearned and included in the contract liability at the beginning of the fiscal year. Other Technology revenues totalled \$8,259 (November 30, 2020 - \$3,430).

Costs 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®, and Other Technology product lines.

Any losses related to Powerwave® projects are immediately recognized and have the effect of increasing direct costs 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. Additionally, where the Company has agreement(s) where there are guaranteed revenues, there may be periods where there may be revenues recorded with no underlying work, and thus, no costs of sale. As a result, the product mix and impact of any revenues recorded with no or little costs of sale will impact the Company's gross profits[2] and gross profit margin[3].

Costs of sales for the first quarter 2022, ended November 30, 2021, were $21,993 or 5.1% of revenues (November 30, 2020 - $18,442 or 4.1% of revenues), and relate solely to Powerwave® stimulations. Costs of sales are generally low as a greater proportion of revenues being derived through Distributors, and moreover, the majority of revenues being recognized by agreements providing minimum numbers of Powerwave® stimulation jobs or guaranteed revenues, and thus, there was little direct costs (i.e., minimal well modelling, field labour, direct labour and inventory for Powerwave® tool refurbishing). The lower costs of sales and extended distribution channels underscores the Company's strategy to use Distributors and focus on certain geographic markets.

The general increase in costs of sales in the current reporting period relates to the consumption of $10,386 in inventory related to the refurbishment of Powerwave® tools in Saudi Arabia, and the recording of $1,546 related lost and / or Powerwave® tools being damaged beyond repair in Kuwait.

Costs of sales variability will, however, at least in the near term, be impacted by the Company's product and geographic mixes, distribution channel, and mix of guaranteed revenues where there are little, or no costs of sales recognized.

Expenses

General and administrative, amortization and depreciation, sales and marketing, and research and development expenses for the first quarter ended November 30, 2021, increased by $154,984 to $989,477, compared to $834,493 for the quarter ended November 30, 2020. The changes within general and administrative, amortization and depreciation, sales and marketing, and research and development expenses for the quarters ended November 30, 2021, and 2020 were principally a result of the following changes:

i) General and administrative expenses increased by $121,113 (November 30, 2021 - $723,056; November 30, 2020 - $601,943). The change in general and administrative expenses were as follows with the noted variances:

[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 is a sub total line item in the consolidated statement of net loss and comprehensive loss.
[3] Gross profit margin is calculated by dividing the gross profit by revenue.

	Year ended		
	November 30, 2021	November 30, 2020	Variance
Wages, wage expenses and benefits	$ 219,186	$ 268,079	$ (48,893)
Consultants	131,865	84,100	47,765
Professional fees	103,800	49,039	54,761
Office	80,862	102,657	(21,795)
Share based payments	66,417	-	66,417
Public company & listing fees	43,252	54,590	(11,338)
Bad Debts	30,712	(11)	30,723
Vehicle	25,673	15,445	10,228
Repairs and maintenance	21,218	26,985	(5,767)
Miscellaneous	71	1,059	(988)
	$ 723,056	$ 601,943	$ 121,113

The increase in professional fees relates to an accrual of $48,150 related to external auditor fee and tax work. The increase in bad debt expense relates to the full impairment of $30,215 of an invoice related to an oilfield service company in Saudi Arabia as the collectability is currently doubtful.

With the changes to the Company's distributor in Saudi Arabia certain expenses, i.e., consulting fees, repairs and maintenance and vehicles expenses, have increased, and are expected to increase relative to comparative periods. The reporting periods increases in expenses related to the new Distributor in Saudi Arabia approximated $119,070 and are expected to remain higher in the near term.

ii) Sales and marketing expenses increased by $83,716 to $198,973. During the reporting period, there were increases of $27,526 in travel and $13,077 in trade show, advertising and promotion related expenses principally related to a trade show in Saudi Arabia. Additionally, there was an increase of $28,083 in allocated wage expense and $15,243 in share-based payment expense related to the hiring of additional marketing staff in the United States, and to support the new Global Distributor.

The continued COVID-19 social distancing and travel restrictions will continue to impact marketing budgets in the near term, as some international marketing initiatives have been postponed or undertaken virtually via Zoom or Microsoft Teams meetings.

iii) Research and development expense decreased by $23,829 to $15,175. Research and development expenses relate to labour of the Company's physicist and reservoir engineer that supports the Powerwave® product line. The comparative period includes internal and external engineering expenses related to the development of a prototype high flow rate Powerwave® Odyssey tool for multilateral horizontal wells. COVID-19 has impacted the deployment of the high flow rate Powerwave® Odyssey tool, but it is hoped the Company and Distributors will be able to market the new high flow rate Powerwave® Odyssey tool in the middle to late calendar 2022.

The changes in research and development expenses relate to a decrease in material and external engineering consulting of $10,000, and a decrease in functional allocation of fully built-up wages of $18,469. Offsetting these decreases was an increase in share-based payment expense of $4,709.

iv) Amortization and depreciation expenses decreased by $26,016 to $52,273 from the comparative period. The current period depreciation and amortization expense were impacted by entering into a new five-year lease, and thus, the amortization expense is now over a longer period.

Other Income (Expenses)

Financing costs of $6,482 (November 30, 2020 - $1,458) include interest expenses, for both reporting quarters that principally relate to interest on insurance financing contracts. In addition, interest expense of $6,036 (November 30, 2020 - $637) relates to lease liability.

During the fourth quarter 2020, the Company began accessing Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs, respectively wage and rents subsidy programs, offered by the Canadian government to qualifying companies who have seen a drop in revenues. The Company did not qualify for the CEWS and CERS in all periods within the quarter; however, the Company was able to access and recorded a non-refundable contribution under CEWS program for an amount of $15,269 (November 30, 2020 - $49,643), with $nil included in accounts receivable (August 31, 2021 - $22,598). The CEWS and CERS programs concluded on October 23, 2021.

Financing income of $729 (November 30, 2020 - $9,894) includes interest earned for the reporting quarters. Interest earned relates to the investment of funds principally from the private placement that was closed and announced on July 17, 2018, and cash inflows since that private placement. Funds received from share purchase warrant exercises were not held in the Company's high interest savings account.

Foreign exchange gain of $1,037 (November 30, 2020 - gain of $1,576) is a result of the translated difference between spot rates and the average for the year of items in the Company's Canadian entity.

Operating Cash Flows

The following table sets out the cash used in operations for the quarters ended November 30, 2021, and 2020:

		As at November 30, 2021		As at November 30, 2020
Net Loss	$	(573,286)	$	(347,520)
Changes to net loss not including cash				
Share-based payments		87,006		-
Amortization and depreciation		52,273		78,289
Interest expense		(6,482)		(1,458)
Loss on disposal of property, plant and equipment		1,546		-
Impact of foreign translation		(455)		936
Changes to working capital				
Change in trade and other payables		225,658		102,464
Change in inventory		176		14,330
Interest paid		6,482		1,458
Change in unearned revenue		(21,381)		27,584
Change in prepaid expenses		(78,761)		(91,404)
Change in trade and other receivables		(86,474)		124,464
Cash used in operating activities	$	(393,698)	$	(90,857)

Cash flows from operating activities for the quarter were principally impacted by reduced revenues and by non-working capital items (see Liquidity section on page 13, below).

Net Loss and Comprehensive Loss, and Loss Per Share

The net loss for the first quarter 2022 ended November 30, 2021, increased by $225,766 to $573,286 (or basic and diluted net loss of $0.006 per share), compared to the net loss of $347,520 (or basic and diluted net loss of $0.004 per share) for comparative quarter ended November 30, 2020.

Net losses were principally impacted by COVID-19 delayed Powerwave® stimulation work thereby affecting revenue recognition. Additionally, there was an increase in general and administrative expenses related to the new Distributor and bad debt in Saudi Arabia. As Saudi Arabia represents a significant market for the Company, it is believed that the new Distributor in the Kingdom is a prudent investment for Wavefront. Net losses were also impacted by a specific bad debt recognition and the increase in sales and marketing expenses related to participation in a trade show and marketing in Saudi Arabia.

The comprehensive loss for the first quarter 2022 ended November 30, 2021, of $571,344 was impacted by a foreign translation gain of $1,942 on its foreign, wholly owned, subsidiary in the United States versus the reported comprehensive loss of $347,824 for the comparative quarter ended November 30, 2020.

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 quarters ended November 30, 2021 and 2020:

		As at November 30, 2021		As at November 30, 2020
Net loss	$	(573,286)	$	(347,520)
Items not affecting cash				
Amortization and depreciation		52,273		78,289
Interest and tax expense		6,782		1,458
EBITDA	$	(514,231)	$	(267,773)
EBITDA loss per share	$	(0.0058)	$	(0.0031)

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

Total assets increased by $380,529 from the prior year end to $2,801,019, the changes of which principally relates to the increase of $266,970 in cash and cash equivalents. Cash and cash equivalents increased as a result of the exercise of 3,437,592 common share purchase warrants resulting in net proceeds of $684,454, which was offset by $393,698 of cash used from operations, and $23,864 related to the principal repayment of the lease liability.

Trade and other receivables increased by $86,477, with prepaid expenses and other current assets increasing by $78,761. The increase in prepaid expenses and other current assets principally relates to insurance for fiscal 2022 and is offset by a current liability related to the financing of such insurance contracts.

The net book value of property, plant and equipment declined by $25,467 and was principally a result of the amortization and depreciation expense of $26,239, which was offset by capital asset acquisitions of $2,026. As well the net book value of right-of-use assets declined by $26,033, because of the amortization and depreciation expense.

Liabilities

Total liabilities also increased by $180,413 from the prior year-end to $1,265,436. Of the changes in liabilities, $227,140 relates to increases in trade accounts payable and other accrued liabilities. As at November 1, 2021, the Company secured $84,854 related to the aforementioned financing of insurance contracts and trade payables. At quarter end, trade accounts payable totalled $190,767, trade accruals $362,974, and vacation and retirement allowance accruals of $68,124.

Offsetting the increases in current liabilities was a decrease in unearned revenues as the Company recognized $51,118 in revenues which were recorded as contract liabilities at the beginning of the fiscal year.

Unearned revenues principally relate to timing differences associated with payments received ahead of revenue recognition, but moreover, the remittance of monies paid by international Distributors in excess of what the Company believes to be the correct foreign tax withholding amounts.

Liquidity

The Company continues to able to meet its liquidity needs through cash generated from operations and from unrestricted monies in high interest savings accounts.

With the COVID-19 pandemic, the Company has experienced longer delays in realizing on its receivables, which has impacted cash resources. Thus, working capital has seen large recent quarter over quarter large variances, as Distributor clients have been delaying paying large receivables owing to Wavefront.

The Company remains focused on invoicing and collection activities. During the COVID-19 pandemic, the Company has not experienced increased bad debts or bad debt allowances.

It is anticipated that, in at least the near term, working capital, and cash from operations will continue to fluctuate. Given the Company's reliance on Distributors as well as a few key customers, should certain expected cash inflows not materialize in the amounts or at the times expected cash on hand could be significantly reduced in the coming fiscal year. The Company is in frequent contact with its key Distributors and customers, continues to have good working relationships, collaborates on paths forward for business development, and continues to review the credit quality of its counterparties. However, during the reporting period the Company recognized $30,215 in bad debt expense.

In managing the Company's risks related to its higher reliance on a few foreign Distributors, the Company recently acquired Export Development Canada ("EDC") Credit Insurance, wherein 90% of insured receivable losses are covered against non-payment caused by a variety of events. The Company's EDC Credit Insurance is currently for specific customers and activities in the Kingdom of Saudi Arabia and the state of Kuwait, where 86.0% of revenues for the quarter were generated.

As of January 26, 2022, Wavefront had $1,335,353 of cash and cash equivalents on hand. Of the cash on hand, Wavefront has $837,400 in high interest savings accounts with an annualized interest rate of 1.70%. Cash on hand as at January 26, 2021, was positively impacted by the exercise of 3,437,592 common share purchase warrants resulting in the receipt of net cash of $684,454.

Working Capital

The following table presents working capital information as at November 30, 2021 and August 31, 2020:

	As at November 30, 2021	As at August 31, 2021	Change
Current assets	1,938,809	1,506,780	432,029
Current liabilities	(873,242)	(666,274)	(206,968)
Working capital[1]	1,065,567	840,506	225,061

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

Changes in working capital relate to the net increases in current assets of $432,029 (i.e., increases in cash and cash equivalents of $266,970, increases in trade and other receivables of $86,474, and increases in prepaid expenses and other current assets of $78,761). Changes in working capital were also impacted by the decrease in unearned revenues of $21,381 (which was impacted by recognizing $51,118 in revenues which was recorded as contract liabilities at the beginning of the fiscal year) and an increase in trade accounts payable and accrued liabilities of $227,140.

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; the ability of Distributors and Third Parties to obtain additional Powerwave work with end-users or E&Ps; and the mix between Powerwave product lines.

Financings

Other than the financing of insurance contacts, there were no financings during the reporting or the comparative period. Given the Company's stage of development, the COVID-19 pandemic, global economic uncertainty, and the current trend of what is deemed "social responsible investing" and Environmental, Social, and (Corporate) Governance ("ESG") limiting investment in the areas related to the oil and gas sectors, it is currently believed there are few financing sources available to Wavefront. Any future financings, if available, will also be dependent on Wavefront's credit rating, quality of licensing contracts, etc. and other relevant financing factors.

The Company did not default nor was it in arrears on any contractual commitments or leases and is not subject to any penalties related to delayed payments.

Capital Management

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:

- Ensuring the Company's solvency;
- 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 currently no known trends or restrictions in Wavefront's capital resources. However, for the reasons noted above, the Company expects working capital to continue to fluctuate.

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 November 30, 2021, the Company had yet to achieve profitable operations, had an accumulated deficit of $77,033,320 (August 31, 2021 - $76,460,034), and for the quarter year ended November 30, 2021, had a net loss of $573,286 (November 30, 2020 - $347,520) and cash used in operations totalled $393,698 (November 30, 2020 – cash used in operations of $90,857). It is unclear whether and when the Company can obtain profitability and positive cash flows from operations. These events and conditions form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

The Company currently has a working capital of $1,065,567 (August 31, 2021 - $840,506).

Although the Company has commenced certain expenditure curtailment to reduce monthly cash consumption, the Company, in accordance with its strategic plan, is currently consuming cash resources at a rate in excess of its operational cash inflow. As such, the Company's ability to continue as a going concern is dependent on obtaining additional capital investment, the realization of assets, the further achievement of successful commercialization of its technologies and the improvement of cash flows from operations. Note 8 provides a more detailed description of the liquidity risk. During the reporting period, the Company secured a subsequent $12,000,000 equity facility ("Facility"), which has yet to be drawn down. There can be no assurance that the Facility may not be cancelled or that the Company will be successful in raising additional capital, realizing assets, discharging liabilities or generating sufficient cash flows from operations to continue as a going concern.

COVID-19 has impacted access to client and E&P end user oilfield well sites, and thus, have impacted income (losses) and cash inflows. As the Company operates in multiple jurisdictions, impacts are based on local government policies, rules, and stimulation or recovery programs will impact the extent and duration of the impacts to Wavefront's business are currently unknown and not measurable.

It is currently believed that the material uncertainties related to COVID-19 and oil and gas demand has fostered a great deal of uncertainty as to the time-frame for recovery of the global economy, and has impacted foreign exchange and interest rates, government policies, E&P activities within the oil and gas sectors. Together with the lack of continuing profitable operations, economic reliance on limited key distributors or customer, creates material uncertainties in the near term, and may impact Wavefront's abilities to generate revenues, collect on amounts when due, or obtain conventional or equity financing.

Given the Company's priority of sustainability, all capital and future expenditures, inclusive of research and development 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, 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
Contractual commitments and variable lease payment	$ 279,181	$ 90,649	$ 119,073	$ 69,459	$ -
Lease liabilities	522,383	119,600	252,633	150,150	-
	$ 801,564	$ 210,249	$ 371,706	$ 219,609	$ -

Note 1: The Company entered into a new agreement for an office and warehouse location in Edmonton, Alberta. The term of the new lease will be for five years, commencing February 1, 2021 and expiring January 31, 2026. For the new five-year lease, the total estimated commitments and variable lease payments are estimated to be $303,550, with the future lease liabilities estimated at $591,175. The new lease commitments are included in the above table.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company has no transactions with related parties.

PROPOSED TRANSACTIONS

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

RISK AND UNCERTAINTIES

The Company's business risks and uncertainties are the same as disclosed in its annual MD&A issued for the year ended August 31, 2021.

ENVIRONMENTAL RISK

The Company's environmental risks are the same as disclosed in its annual MD&A issued for the year ended August 31, 2021.

CLIMATE GOVERNANCE AND RISK MANAGEMENT

Aspects of climate change risk and opportunities that most influence Wavefront's business strategy are: future regulatory changes and associated compliance costs, commodity prices, access to markets and capital, social preferences, general capital investment declines in the energy sector, and reputational ESG risk (related to climate change, human rights and ethical and sustainable business practices), and technology development.

The Company currently has a Safety, Health and Environmental policy as part of its Corporate policy manual. The Safety, Health and Environmental policy assists the Board in fulfilling its obligations relating to safety, health and environmental matters concerning Wavefront. Safety and protection of the environment have always been top priorities in Wavefront's business operations. Wavefront believes dedication to safety and environmental protection goes beyond implementing the right policies and having the right equipment or department, but ensuring that everyone at Wavefront is aware of both their responsibility for safety matters and protection of the environment and how integral those matters are to the Company's business.

Wavefront is in the process of augmenting its Safety, Health and Environmental policy to include a multi-disciplinary risk management process, which considers ESG and climate change risks and opportunities as part of Wavefront's business evaluation. Processes for identifying, assessing, and managing climate-related issues will be integrated into the Company's enterprise risk management ("ERM") framework.

Although climate change and ESG could negatively impact energy sector activity, it also represents an opportunity for Powerwave's smart technology that does not require capital investment by end-users or E&P, reduces operating cost by decreasing volumes of water or chemical injection and E&P operating horsepower, while reducing the need for more frequent stimulations and increasing near term productions and thus, E&P income and cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's critical accounting policies and estimates are the same as disclosed in its Audited Consolidated Financial Statements and Notes, and its annual MD&A issued for the year ended August 31, 2021.

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, 2021.

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 also exist as the top three customers currently comprise 81.6% (2021 – 87.5%) of total revenues; however, the majority of transactions are with publicly traded corporations or larger oil field service companies dispersed across geographic areas.

In light of the COVID-19 pandemic, the Company may negotiate some payment extensions with both our vendors and clients. At this time, the Company has not made significant extensions (other than the prior quarters' financing of past amounts due) to our clients or Distributors.

Credit risk related to the Company's two principal Distributors in Saudi Arabia and Kuwait is also mitigated by the Company's, acquisition of Export Development Canada ("EDC") export credit insurance, wherein 90% of insured losses, up to policy maximums, are covered against the risk of non-payment caused by a variety of events.

Credit risk, with respect to accounts receivables, may also be mitigated due to Wavefront's credit evaluation and cash management processes.

Foreign currency risk

Wavefront is exposed to currency risks as a significant portion of its revenues are in foreign currencies, primarily US dollars, as a result of the Company's export of its technology and Powerwave® tools to foreign jurisdictions of goods produced in Canada or services provided from Canada. Wavefront is also exposed to some limited operational expenses related to Distributors in foreign operations. Therefore, the Company is exposed to fluctuations in exchange rates to the extent that a strengthening Canadian dollar environment will result in a negative impact and a weakening Canadian dollar environment will result in a positive impact on our income from operations.

These risks are partially covered by purchases of goods and services in 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.

SUPPLEMENTAL 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 2022 Nov 30 '21	4th Qtr 2021 Aug 31 '21	3rd Qtr 2021 May 31 '21	2nd Qtr 2021 Feb 28 '21
Revenue	$ 427,631	$ 415,583	$ 371,281	$ 373,118
Net Income (Loss)	$ (573,286)	$ (257,022)	$ (353,977)	$ (415,839)
Basic & diluted income (loss) per share	$ (0.0065)	$ (0.0029)	$ (0.0040)	$ (0.0047)
Common shares outstanding				
Weighted average shares outstanding	88,434,782	87,572,573	87,572,573	87,572,573

	1st Qtr 2021 Nov 30'20	4th Qtr 2020 Aug 31 '20	3rd Qtr 2020 May 31 '20	2nd Qtr2020 Feb 28 '20
Revenue	$ 445,760	$ 695,473	$ 702,259	$ 706,040
Net Income (loss)	$ (244,782)	$ 20,773	$ (16,562)	$ (419,612)
Basic & diluted loss per share	$ (0.0028)	$ 0.0002	$ (0.0002)	$ (0.0048)
Common shares outstanding				
Weighted average shares outstanding	87,572,573	87,572,573	87,572,573	87,572,573

Note 1: All amounts in Canadian dollars except share data

DESCRIPTION OF SHARE CAPITAL

As at November 30, 2021, Wavefront's share capital consisted of the following:

Common shares		
Authorized:		unlimited
Issued and outstanding:		
Free trading		91,010,165
Convertible into common shares		
Share purchase warrants	628,741	
Incentive stock options	4,600,000	
		5,228,741
Fully diluted share capital:		96,238,906

As at January 26, 2022, Wavefront's number of issued and outstanding shares is 91,010,165.

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 OTCQB Venture Market under the symbol WFTSF.

Warrants granted during the period

No warrants were granted during the reporting quarter.

Warrants outstanding

As at November 30, 2021

Date Granted	Expiry Date	Number of Warrants	Exercise Price per Share $
July 17, 2018	July 17, 2022	628,741	0.45
		628,741	

During the reporting period ended November 30, 2021, the Company announced that a Triggering Event has occurred in relation to the 3,712,592 common share purchase warrants exercisable at $0.20, as originally issued by the Company on July 17, 2018. The Triggering Event, resulting from the 10-day closing price of the common shares of the Company, as traded on the TSX Venture Exchange exceeding $0.20 per common share, and thus, the expiry date of the 3,712,592 common share purchase warrants exercisable at $0.20 was no longer July 17, 2022, but was accelerated to November 25, 2021.

As a result of the Triggering Event, 3,437,592 common share purchase warrants exercisable at $0.20 were exercised into an equal number of common shares for net proceeds of $684,454. The balance of 275,000 common share purchase warrants exercisable at $0.20 expired unexercised as at November 25, 2021. The closing balance of common share purchase warrants exercisable at $0.45 relate to the same private placement but were not eligible for re-pricing under TSX Venture Exchange policies.

Options granted during the period

As at November 30, 2021

Date Granted	Expiry Date	Number of Options		Exercise Price per Share $
September 27, 2021	September 27, 2031	1,800,000	$	0.17
		1,800,000		

Of the 1,800,000 stock options that were issued during the reporting period ended November 30, 2021, 1,200,000 were issued to Directors and Officers of the Company.

The Company maintains a Stock Option Plan under which the Company may grant incentive stock options for up to 10,771,558 shares of the Company at an exercise price not to 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 years and vest, at a minimum, in equal tranches at three-month intervals over a period of eighteen months.

Options outstanding

As at November 30, 2021

Date Granted	Expiry Date	Number of Incentive Stock Options	Exercise Price per Share $
March 1, 2021	March 1, 1931	1,000,000	0.10
September 27, 2021	September 27, 1931	1,800,000	0.17
August 4, 2016	August 4, 2026	1,725,000	0.28
January 6, 2017	January 6, 2027	75,000	0.35
		4,600,000	

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 Certificates are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in those Certificates. The Certificates do 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 financial statements do not contain any untrue statement of a 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 financial statements and that (ii) the 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 financial statements.

The Company's certifying officers of the Certificates are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in those Certificates. 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 "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 the potential receipt of payment of certain aged receivables 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 26, 2021, 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).