Unaudited Condensed Consolidated Interim Financial Statements of

WAVEFRONT TECHNOLOGY SOLUTIONS INC.

Three and nine month periods ended May 31, 2015 and 2014

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company is disclosing that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the periods ended May 31, 2015 and 2014.

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Financial Position

As at May 31, 2015 and August 31, 2014
(Canadian dollars)
(Unaudited)

	Note	May 31, 2015	August 31, 2014
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 7,337,594	$ 8,085,603
Trade and other receivables		952,982	2,028,469
Inventories		457,530	495,856
Prepaid expenses and other current assets		734,452	377,574
		9,482,558	10,987,502
NON-CURRENT ASSETS			
Deposits		60,434	89,492
Property, plant and equipment	3, 4	2,271,784	4,696,068
Intangible assets	3, 5	-	3,507,708
		$ 11,814,776	$ 19,280,770
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable and accrued liabilities		$ 800,445	$ 1,051,482
SHAREHOLDERS' EQUITY			
Share capital	6a	66,438,909	66,438,909
Share based payment reserve	6c	8,941,804	8,879,699
Accumulated other comprehensive income		409,917	115,754
Deficit		(64,776,299)	(57,205,074)
		11,014,331	18,229,288
		$ 11,814,776	$ 19,280,770

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

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
Three and nine month periods ended May 31, 2015 and 2014
(Canadian dollars)
(Unaudited)

	Note	For the three months ended May 31, 2015	May 31, 2014	For the nine months ended May 31, 2015	May 31, 2014
Revenue		$ 1,213,218	$ 1,499,056	$ 3,766,363	$ 4,392,744
Cost of sales		631,020	460,074	1,515,968	1,343,336
Impairment	3	-	1,338,584	5,023,475	1,338,584
General and administrative		902,893	1,013,582	2,958,441	3,478,694
Sales and marketing		236,666	478,929	990,043	1,134,063
Amortization and depreciation		164,374	433,239	778,372	1,269,263
Research and development		56,836	63,803	151,225	129,178
		1,991,789	3,788,211	11,417,524	8,693,118
OPERATING LOSS		(778,571)	(2,289,155)	(7,651,161)	(4,300,374)
OTHER (EXPENSES) INCOME					
Financing costs		(3,551)	(8,598)	(3,991)	(1,601)
Financing income		17,106	21,511	83,927	96,677
		13,555	12,913	79,936	95,077
NET LOSS		(765,016)	(2,276,242)	(7,571,225)	(4,205,298)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to net loss					-
Translation gain (loss) on foreign operations		(48,702)	(26,668)	294,163	46,811
COMPREHENSIVE LOSS		$ (813,718)	$ (2,302,910)	$ (7,277,062)	$ (4,158,487)
WEIGHTED AVERAGE NUMBER OF SHARES					
Basic and diluted	7	82,956,240	82,956,240	82,956,240	82,956,240
LOSS PER COMMON SHARE					
Basic and diluted	7	$ (0.01)	$ (0.03)	$ (0.09)	$ (0.05)

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

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
Three and nine month periods ended May 31, 2015 and 2014
(Canadian dollars)
(Unaudited)

	Share capital	Share based payment reserve	Accumulated other comprehensive (loss) income	Deficit	Total
Balance at August 31, 2013	$ 66,438,909	$ 8,691,895	$ 76,086	$ (51,994,767)	$ 23,212,123
Net Loss	-	-	-	(4,205,298)	(4,205,298)
Translation gain on foreign operations	-	-	46,811	-	46,811
Recognition of shared-based payments	-	151,994	-	-	151,994
Balance at May 31, 2014	66,438,909	8,843,889	122,897	(56,200,065)	19,205,631
Net Loss	-	-	-	(1,005,009)	(1,005,009)
Translation gain on foreign operations	-	-	(7,143)	-	(7,143)
Recognition of shared-based payments	-	35,810	-	-	35,810
Balance at August 31, 2014	66,438,909	8,879,699	115,754	(57,205,074)	18,229,288
Net Loss	-	-	-	(7,571,225)	(7,571,225)
Translation gain on foreign operations	-	-	294,163	-	294,163
Recognition of shared-based payments	-	62,105	-	-	62,105
Balance at May 31, 2015	$ 66,438,909	$ 8,941,804	$ 409,917	$ (64,776,299)	$ 11,014,331

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

WAVEFRONT TECHNOLOGY SOLUTIONS INC.
Condensed Consolidated Interim Statements of Cash Flow
Nine month period ended May 31, 2015 and 2014
(Canadian dollars)
(Unaudited)

	Note	For the nine months ended May 31 2015	May 31 2014
OPERATING ACTIVITIES			
Net loss		$ (7,571,225)	$ (4,205,298)
Items not affecting cash			
Impairment	3	5,023,475	1,338,584
Amortization and depreciation		778,372	1,269,263
Unrealized foreign exchange gain		123,952	16,045
Share-based payments	6c	62,105	151,994
Interest expense		3,991	7,230
Gain on disposal of property, plant and equipment		(6,308)	(10,069)
		(1,585,638)	(1,432,251)
Interest paid		(3,991)	(7,230)
Net change in non-cash working capital items		996,194	(508,835)
Cash used in operating activities		(593,435)	(1,948,316)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(320,689)	(347,456)
Proceeds on disposal of property, plant and equipment	4	22,758	15,296
Additions to intangible assets		-	(84,351)
Cash used in investing activities		(297,931)	(416,511)
Foreign exchange gain on cash held in foreign currency		143,357	23,162
NET DECREASE IN CASH AND CASH EQUIVALENTS		(748,009)	(2,341,665)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		8,085,603	11,043,731
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 7,337,594	$ 8,702,066

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

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

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

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

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

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Financial Reporting Standard ("IASB") and using accounting policies under International Financial Reporting Standards ("IFRS") for interim financial information. These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements for the fiscal year ended August 31, 2014, with the exception of the impact of certain amendments to accounting standards or new interpretations issued by the IASB, which were applicable from September 1, 2014, as described in the unaudited condensed consolidated interim financial statements for the period ended November 30, 2014.

These unaudited condensed consolidated interim financial statements were approved for issue on July 27, 2015.

3. IMPAIRMENT

As at May 31, 2015, the Company assessed impairment indicators for the Powerwave, Performance Drilling, Primawave, and Tubing Pump and Bailers CGUs and concluded no impairment indicators were present.

As at November 30, 2014 and February 28, 2015, the Company determined that impairment indicators existed related to the Company's market capitalization being below the carrying value of its net assets, the drop in and volatility in crude oil prices, and the changes to operating and capital budgets of exploration and production ("E&P") company budgets. Additional impairment indicators were present at February 28, 2015 in that the Company experienced weaker than expected economic performance across cash generating units ("CGU") and implemented operation expense reduction measures and managed capital programs.

In accordance with International Accounting Standards ("IAS") 36, the impairment loss allocated to the individual assets within the CGU is subject to a cap where the carrying amount of the individual asset should not be reduced below the highest of 1) its fair value less costs of disposal; 2) its value in use; and zero. In performing this allocation, the Company determined that it was able to estimate the recoverable amount of individual assets with the remaining items in property, plant and equipment in the CGU. The recoverable amount calculated for Powerwave tools and equipment within the property, plant and equipment category was determined based on a fair value less costs of disposal by applying similar market prices for recent sales and license of similar Powerwave tools. Similarly, the fair value less costs of disposal for certain leasehold improvements, computer, automotive, office and shop equipment was determined based on market prices for similar assets. After applying the requirements under paragraph 104 and 105 of IAS 36, the Company recognized a non-cash impairment charge of $5,023,475, which is allocated to the assets in the CGU consisting of $1,753,520 non-cash impairment charge for property, plant and equipment (Note 4) and $3,269,955 non-cash impairment charge for intangible assets (Note 5). The Company determined that there was a remaining excess of $635,206 of the impairment loss and no liability has been recognized for this remaining amount.

These non-cash charges do not have an impact on the Company's cash flows from operating activities and will not have an impact on the CGUs' future operations. The Company assessed the fair value less cost to sell the assets of the Tubing Pump and Bailers CGU and determined that no impairment was required.

There is a significant amount of uncertainty with respect to the estimates of the recoverable amounts of the CGU's assets given the necessity of making key economic assumptions about the future. The value in use calculation uses key assumptions which include cash flows, growth opportunities, and the discount rate.

Cash flows

Cash flows were projected over a five year period and are based on internal forecasts, and risk assessments that take into account the unique operations. Revenue and expenses were projected over a five year period based on the Company's approved forecasts, long range plans, and for the November 30, 2014 impairment based on an adjusted external consultant's strategic plan for bear market conditions. Revenue and expense projections were also based on actual historical averages and historical growth rates. The valuation is sensitive to changes in the annual growth rate.

As tools within the CGU can be refurbished for longer term use, revenues and expenses beyond the five year projections were extrapolated using a growth rate equal to the Government of Canada Consumer Price Index ("CPI") as at the balance sheet dates.

Discount rate

A blended discount pre-tax rate of 33% was used to discount cash flows in the November 30, 2014 and February 28, 2015 valuation models. The valuation is sensitive to changes in the discount rate.

Variables and sensitivity

The value in use calculation involves the following variables and is subject to the following sensitivities to the variables used:

	November 30, 2014	February 28, 2015
Compounded annual growth rate approximated	44%	49%
Government of Canda CPI as at balance sheet date	0.9%	1.0%
2% increase / decrease in growth rate would decrease / increase impairment	$ 712,318	$ 596,104
1% increase in discount rate would increase impairment	$ 769,540	$ 580,479
1% decrease in discount rate would decrease impairment	$ 830,327	$ 626,545

Management believes that the methodology used to impair the CGUs, which involves a significant number of judgments and estimates, provides a reasonable basis for determining the impairment. Many factors used in determining the impairment are outside Management's control and involve inherent uncertainty. Therefore, actual results could differ from those estimates.

4. PROPERTY, PLANT AND EQUIPMENT

As at May 31, 2015	Tools and Equipment	Computer, automotive and office equipment	Leasehold improvements	Total
Cost				
Balance at August 31, 2014	$ 9,244,144	$ 953,205	$ 592,492	$ 10,789,841
Additions	190,730	101,796	28,163	320,689
Reclassification	(242,673)	-	242,673	-
Disposals	-	(81,300)	-	(81,300)
Transfers to Inventory	(1,302,585)	-	-	(1,302,585)
Impact of foreign translation	29,743	34,152	-	63,895
Balance at May 31, 2015	7,919,359	1,007,853	863,328	9,790,540
Accumulated depreciation and impairment loss				
Balance at August 31, 2014	(5,020,853)	(869,847)	(203,073)	(6,093,773)
Depreciation	(376,976)	(96,555)	(62,939)	(536,470)
Disposals	-	64,850	-	64,850
Transfers to Inventory	841,346	-	-	841,346
Impairment	(1,749,111)	(4,409)	-	(1,753,520)
Impact of foreign translation	(16,459)	(24,730)	-	(41,189)
Balance at May 31, 2015	(6,322,053)	(930,691)	(266,012)	(7,518,756)
Net book value				
Balance at May 31, 2015	$ 1,597,306	$ 77,162	$ 597,316	$ 2,271,784

Depreciation expense for the three and nine month periods ended May 31, 2015 was $164,376 (May 31, 2014 - $302,207) and $536,470 (May 31, 2014 - $881,413), respectively.

During the nine months ended May 31, 2015 $461,239 of tools and equipment have been transferred to inventory and has been reflected in the net change in non-cash capital items in the statement of cash flows.

As at May 31, 2015 property, plant and equipment included tools and equipment under construction of $115,389 (August 31, 2014 - $319,639) that is not subject to depreciation. In the prior quarter equipment under construction costs of $242,673 were reclassified to leasehold improvements.

5. INTANGIBLE ASSETS

As at May 31, 2015	Patents	Acquired licenses	Total
Cost			
Balance at August 31, 2014	$ 4,860,765	$ 264,627	$ 5,125,392
Impact of foreign translation	-	16,501	16,501
Balance at May 31, 2015	4,860,765	281,128	5,141,893
Accumulated amortization and impairment			
Balance at August 31, 2014	(1,547,952)	(69,733)	(1,617,685)
Amortization	(231,622)	(10,280)	(241,902)
Impairment	(3,081,191)	(188,764)	(3,269,955)
Impact of foreign translation	-	(12,351)	(12,351)
Balance at May 31, 2015	(4,860,765)	(281,128)	(5,141,893)
Net book value			
Balance at May 31, 2015	$ -	$ -	$ -

Amortization expense for the three and nine month periods ended May 31, 2015 was $nil (May 31, 2014 - $128,853) and $241,902 (May 31, 2014 - $387,849), respectively.

6. SHARE CAPITAL

The Company's issued share capital is as follows:

a) Issued common shares

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

	Number	Stated capital
Balance at August 31, 2014	82,956,240	$ 66,438,909
Balance at May 31, 2015	82,956,240	$ 66,438,909

b) Stock-based compensation plan

The Company maintains an Employee, Director, Officer and Consultant 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 equal to or greater than the market price of the Company's stock at the date of grant. All stock options awarded are exercisable for a period of five years and vest in equal tranches at three (3) month intervals over a period of eighteen (18) months.

Movements in stock options during the period

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

	Number	Weighted average exercise price
Outstanding at August 31, 2014	2,430,000	$ 0.55
Granted	1,000,000	0.13
Cancelled / Forfeited	(290,000)	0.47
Expired	(245,000)	0.72
Outstanding at May 31, 2015	2,895,000	$ 0.40

Fair value of stock options granted during the period

The fair value for the compensation costs of stock options issued to both employees and non-employees were calculated using the Black-Scholes option pricing model resulting in an additional charge to the employee's and non-employee's underlying functional expense activity with a corresponding increase in share based payment reserve, assuming the following assumptions for stock options issued during the period:

Inputs into the model

	Weighted Average May 31, 2015
Share price at date of grant	$ 0.10
Exercise price	$ 0.13
Risk-free rate (based on 5 year Government of Canada bond)	0.86%
Expected volatility	88.93%
Dividend rate	0%
Expected life	3.64
Weighted average fair value of options granted during the year	$ 0.05

During the nine months ended May 31, 2015, the Company incurred $62,105 (May 31, 2014 - $60,325) in compensation expense relating to outstanding stock options.

c) Share-based payment reserve

	As at May 31, 2015	As at August 31, 2014
Balance, begining of period	$ 8,879,699	$ 8,691,895
Share-based payments	62,105	187,804
Balance, end of period	$ 8,941,804	$ 8,879,699

7. LOSS PER SHARE

The weighted average number of common shares outstanding for basic and diluted loss per share is 82,956,240 (May 31, 2014 - 82,956,240).

In determining diluted loss per share, the weighted average number of shares outstanding for the quarter ended May 31, 2015 and 2014 exclude all stock options eligible for exercise as the average market price of the common shares for the periods were less than the exercise price.

8. RELATED PARTY TRANSACTIONS

Expense transaction

In a prior reporting period the Company entered into a Consulting Agreement with a director of the Company to provide certain services for a monthly fee of US $5,000 per month. During the three and nine month periods ended May 31, 2015, the Company recorded $17,853 (May 31, 2014 - $16,404) and $53,558 (May 31, 2014 - $49,212), respectively, in consulting expense, with $nil (August 31, 2013 - $nil) included in accounts payable and accrued liabilities.

9. SEGMENTED INFORMATION

The Company is a technology company and 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 and geographic areas, in identifying its reportable segment. The operating segment(s) of the Company is defined as components of the Company for which separate financial information is available and is

evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the President and Chief Executive Officer. The Company has one group of similar products due to having a similar underlying technology, class of customers and economic characteristics.

10. SEASONALITY OF OPERATIONS

Oilfield services offered by the Company are seasonable and related to the product offering and geographical extent to which products were offered for rent or sale. The Company's Powerwave stimulation and pump and bailer product offerings, in relation to oilfield services, involve the rental and sale of down-hole equipment. Due to temperature influences on ground conditions and customer budget cycles, the months of December through April have lower activities.

Management believes that the seasonality of operations will have minimal affects moving forward.