WESCAN ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated July 28, 2017 should be read in conjunction with the Company's audited consolidated financial statements at March 31, 2017 and 2016 the Company's Form 51-101F1 dated July 15, 2017 and the reference to forward-looking statements within this report. These documents are available at www.sedar.com.

The fiscal years ended March 31, 2017, 2016, and 2015 are referred to as "FY-2017", "FY-2016" and "FY-2015", respectively. The year ended March 31, 2017 and 2016 are referred to as "Q4-2017" and "Q4-2016", respectively. The period from April 1, 2016 and up to March 31, 2017 is referred to herein as "YTD-2017"

DESCRIPTION OF BUSINESS

WesCan is an evolving E&P company with a key objective of providing shareholders with attractive longer tern sustainability by developing and exploiting the Company's newly acquired assets at east-central, Alberta in a financially disciplined manner and by acquiring and consolidating additional oil and gas assets that are analogous to its infrastructure and focus area(s). WesCan's assets are comprised primarily of 100% operated oil-weighted properties characterized by multi-zone crude oil reservoirs with relatively low declines and numerous low risk drilling development drilling locations with potential for a high quality water flood project. WesCan will continue to identify and actively pursue strategic acquisitions with synergistic characteristics of long life producing assets or opportunities with significant, low risk upside potential.

CORPORATE SUMMARY

Funds from operations per share is calculated using the same weighted average basic and diluted shares used in calculating income per share. Operating and corporate netbacks are also presented. Operating netbacks represent WesCan's revenue, realized gains or losses on financial contracts, less royalties and operating and transportation expenses. Corporate netbacks represent WesCan's operating netback, less general and administrative and interest expenses, in order to determine the amount of funds generated by production. Operating and corporate netbacks have been presented on a per barrel of oil equivalent ("boe") basis. This reconciliation is shown within the MD&A.

WesCan's management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and financial statements. In the preparation of these statements, estimates are necessary to make a determination of future values for certain assets and liabilities. Management believes these estimates have been based on careful judgments and have been properly presented. The financial statements have been prepared using policies and procedures established by management and fairly reflect WesCan's financial position, results of operations and funds from operations.

WesCan's Board of Directors and Audit Committee have reviewed and approved the financial statements and MD&A.

CORPORATE SUMMARY (Cont'd)

	FY-2017	FY-2016	FY-2015
Financial ($ Except per share amount)			
Petroleum and natural gas revenue	1,645,232	1,222,334	45,221
Cash flow (deficiency) from operatons (1)	149,854	(295,724)	(393,885)
Cash flow per share - basic and diluted (1)	0.01	(0.01)	(0.02)
Net income (loss) for the year	1,601,696	3,154,881	(428,644)
Net income (loss) per share - basic and diluted	0.07	0.15	(0.02)
Working capital deficit	(1,696,776)	(2,331,342)	(672,133)
Total assets	7,581,508	6,689,063	152,794
Total shares outstanding at year end	21,753,991	21,753,991	21,753,991
Operations			
Production			
Oil and NGL (Bopd)	89	95	2
Gas (Mcfd)	143	105	1
BOEd (6 Mcf =1 Bbl)	113	112	2
Product Prices			
Oil ($/Bbl)	45.27	39.00	45.62
Gas ($/Mcf)	2.08	2.13	3.56

(1) See Non-GAAP and Additional GAAP Measures in MD&A.

Selected Quarterly Information

	2017	2017	2017		2016	2016	2016	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenue, net of royalties	420,482	379,391	343,541	318,557	236,309	317,329	327,824	154,950
Net gain (loss) for the quarter	1,601,696	(86,620)	(123,539)	(149,568)	1,867,532	(189,695)	23,602	(48,509)
Net loss per share	$0.07	$0.00	($0.01)	($0.01)	$0.09	$ (0.01)	$0.00	$0.00
Total assets, end of period	7,581,508	6,260,122	6,332,349	6,477,227	6,689,063	3,245,234	3,203,846	3,010,184

The trends inherent in this data reflect the economic and operational factors that affected the annual trends over the same years.

Results over the eight quarters presented were impacted by the following events, transactions and business trends:

- Q4-2017, revenue increased by $184,173 compared to Q4-2016 mainly due to the acquisition of the producing oil and gas properties. The Company's total assets increased by $892,445 compared to Q4-2016 mainly due to an increase in intangible assets.

- Q3-2017, revenue increased by $62,062 compared to Q3-2016 due to the acquisition of the producing oil and gas properties and related field re-activations of shut-in wells completed during the period. The Company's total assets increased by $3,014,888 compared to Q3-2016 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located in east-central Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q2-2017, the revenue increased by $15,717 compared to Q2-2016 due to the acquisition of the producing oil and gas properties and related field re-activations of shut-in wells completed during the period. The Company's total assets increased by $3,128,503 compared to Q2-2016 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located at Provost in east-central, Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q1-2017, the revenue increased by $163,607 compared to Q1-2016 due to the acquisition of the producing oil and gas properties. The Company's total assets increased by $3,467,043 compared to Q1-2016 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located in east-central, Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q4-2016, the revenue increased by $229,318 compared to Q4-2015 due to the acquisition of the producing oil and gas properties. The Company's total assets increased by $6,536,269 compared to Q4-2015 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located in east-central, Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q3-2016, the revenue increased by $304,535 compared to Q3-2015 due to the acquisition of the producing oil and gas properties. The Company's total assets increased by $2,845,862 compared to Q3-2015 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located in east-central, Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q2-2016, the revenue increased by $315,511 compared to Q2-2015 due to the acquisition of the producing oil and gas properties. The Company's total assets increased by $2,757,105 compared to Q2-2015 due to a combination of acquiring a 100% working interest in certain petroleum and natural gas rights located in east-central, Alberta, an increase in intangible assets and the estimation of the asset retirement obligation costs.

- Q1-2016, the revenue increased by $143,703 compared to Q1-2015 due to the acquisition of the producing oil and gas properties at Provost, Alberta. The Company's total assets increased by $2,490,179 compared to Q1-2015 due to a combination of acquiring the 100% working interests in those petroleum and natural gas rights noted above and an increase in the estimation of the asset retirement obligation costs.

- In Q4-2015, the Company's total assets decreased by $22,645 compared to Q4-2014 due to impairment costs. Net loss increased by $104,315 in Q4-2015 compared to Q4-2014. The increase in net loss was due to impairment of exploration and evaluation assets and management fees expensed in G&A in lieu of being capitalized.

RESULTS OF OPERATIONS

Oil & Gas Production

Oil & Gas Sales and Prices	FY-2017	FY-2016	Percent Change %
Average daily sales			
Oil and NGL (Bopd)	89	95	(7)
Gas (Mcfd)	144	105	27
BOEd	113	113	0

For the year-ended March 31, 2017, WesCan's average oil, gas and NGL sales were flat to 113 Boe compared with 113 Boe for the year-ended March 31, 2016.

Gas sales are converted to BOE's on a 6:1 basis, accounted for approximately 21% of the total production for the year-ended March 31, 2017.

Oil and Gas Prices

For the year-ended March 31, 2017, WesCan received an average of $45.27 per BBL of oil compared with the average price of $39.00 per BBL for the year-ended March 31, 2016. The oil price was 16% higher than the price received in year-ended March 31, 2016. Gas prices declined to average only $2.08 per mcf compared with $2.13 per mcf in the year-ended March 31, 2016.

Oil and Natural Gas Sales

For the year-ended March 31, 2017, oil and gas sales were $1,645,232 a 34% increase over $1,222,334 for the same period in 2016.

Royalty Expense

	FY-2017 $	FY-2016 $	Percent Change %
Royalties	183,261	185,921	(1.5)

For the year-ended March 31, 2017, royalty expenses were $183,261 as compared to $185,921 for the same year-ended March 31, 2016 due to a decrease in Crown and Freehold royalties related to decrease in production.

Summary of Operating Netbacks

	FY-2017	FY-2016	Percent Change %
Oil and natural gas liquids	1,535,404	1,152,499	33
Natural gas	109,828	69,834	57
Total sales	1,645,232	1,222,334	35
Royalties	(183,261)	(185,921)	(1)
Revenues, net of royalties	1,461,971	1,036,413	41
Operating expenses	(927,014)	(964,093)	(4)
Operating netback [(1)]	534,957	72,320	100%>
$ / BOE			
Oil and natural gas sales	$ 38.32	$ 34.77	10
Royalties	(4.27)	(5.29)	(19)
Operating expenses	(21.59)	(27.42)	(21)
Operating netback [(1)]	$ 12.46	$ 2.06	505

(1) See Non-GAAP measures and additional GAAP measures.

For the year ended March 31, 2017, netbacks were $12.46 per boe as compared with $2.06 per boe for the same year-ended in 2016. A 10% increase in prices together with a 19% decrease in royalties and a 21% decrease in operating expenses per boe resulted in a significant increase in the operating netback per boe.

Operating Expense

	FY-2017 $	FY-2016 $	Percent Change %
Contract Operator	211,665	182,300	
Fuel and Power	135,353	141,700	
Workovers	58,313	100,978	
Lease maintenance and others	521,683	539,115	
Total Expenses	927,014	964,093	(4)

WesCan’s operating expenses for the year-ended March 31, 2017 were $927,014 or $21.59 per BOE compared with $964,093 or $27.42 per BOE in same year-ended 2016. The decrease in operating costs are due primarily as a result of cost controls of the Company’s activities and offset by expenses regarding the workovers and repairs on a number of the wells.

General and Administrative Expense

	FY-2017 $	FY-2016 $	Percent Change %
Office	19,139	17,644	
Salaries and consultants	165,000	165,000	
Professional fees	111,744	100,416	
Corporate	93,957	85,345	
Total Expenses	389,840	368,405	6

For the year ended March 31, 2017, total G&A expenses were $389,840 as compared to $368,405 for the same year ended in 2016 representing, a 6% increase.

Finance Expense

On May 22, 2015, the Company issued short-term promissory notes (the "Notes") with a principal amount of $1,100,000. The Notes are unsecured and bear interest at 7% per annum and are due in July, 2015. At the option of the noteholders, the principal and interest outstanding may be converted into common shares of the Company under terms and conditions agreed upon between the noteholders and the Company. As at March 31, 2017, the Notes have not yet been repaid or converted into common shares of the Company.

Depletion, depreciation and Accretion

All costs directly associated with the development of oil and gas reserves are capitalized on an area-by-area basis. Costs accumulated within each area are depleted using the unit-of-production method based on proved plus probable reserves incorporating estimated future prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved and probable reserves.

	FY-2017 $	FY-2016 $	Percent Change %
Depletion, depreciation and accretion	577,507	391,007	48

During the year-ended March 31, 2017, depletion, depreciation and accretion were increased to $577,507 as compared to $391,007 for the same year-ended in 2016.

LIQUIDITY AND CAPITAL RESOURCES

WesCan's major source of liquidity has been the issuance of equity capital. The Company obtains equity capital financing from private placement offerings of shares and share purchase warrants, and the exercise of share purchase warrants and stock options. The Company conducts private placement equity financings from time-to-time, based on cash flow needs and subject to investor interest.

On April 20, 2015, the Company entered into an agreement (the "Agreement") with Alston Energy Inc. ("Alston") through Alston's court appointed receiver, Alvarez & Marsal Canada Inc. ("Alvarez"), to acquire a 100% working interest in certain petroleum and natural gas rights located in east-central Alberta. The total cash consideration for the acquisition was $1,240,000 which was fully paid by the Company to Alvarez between April and May 2015. The Agreement was approved by the courts and the TSX-V Exchange on May 15, 2015 and May 25, 2015 respectively and the acquisition was completed on May 25, 2015. The acquisition was financed through a combination of existing cash and a series of short-term promissory notes issued during the year (see Note 8).

The Company's main reason for completing this acquisition is to acquire additional oil production capacity.

The following summarizes the allocation of the consideration paid:

Oil and gas properties	$	6,981,000
Decommissioning provision		(178,222)
Deferred income tax liability		(1,501,950)
Gain on bargain purchase		(4,060,828)
Cash consideration paid	**$**	**1,240,000**

The gain on business combination arose due to depressed commodity prices and financial difficulties of Alston, which allowed the Company to acquire the assets for less than fair value.

Fair value of the decommissioning liability acquired in the business combination was calculated using the discount rate of 15% and inflation rate of 1.88%. The average life of the petroleum reserves acquired was 17.9 years. The undiscounted value of the obligation at the acquisition date was calculated at $1,550,805.

In order to continue as a going concern and meet the Company commitments and current obligations, the Company will require additional net equity financings during the next twelve months. At March 31, 2017, the Company's working capital deficiency was $1,696,776 (2016 - $2,331,342).

Furthermore, additional equity financing will be required in order to carry out the exploration and development necessary to achieve a self-sustaining level of production and oil reserves, and achieve our oil and gas business objectives. Additional financing will be required to carry out a drilling program sufficient to attain a self-sustaining level of revenue. There is no assurance that we will be successful in obtaining any such financing. The Company has traditionally supplemented equity financing from time to time by obtaining loans from third parties. These were used to provide interim, short-term financings to meet day-to-day cash flow requirement and are not intended to be a long-term source of capital. At March 31, 2017, the Company has convertible loans in the amount of $1,325,225 (including interest). These amounts are due on demand and bear interest of up to 10% per annum, are unsecured and have no fixed re-payment terms.

Our ability to obtain financing is sensitive to economic factors beyond the control of management. Declines in the Canadian dollar, commodities prices, changes in interest rates and the continued economic concerns or disruptions could significantly affect our ability to obtain adequate financing.

The Company had no long-term debt or long-term financial liabilities outstanding at March 31, 2017 and 2016.

BUSINESS RISK

The Company is engaged in the exploration, development, production and acquisition of crude oil and natural gas. WesCan's business is inherently risky and there is no assurance that hydrocarbon reserves will be discovered and/or economically produced.

Financial risks associated with the petroleum industry include the access to capital necessary to develop reserves and fluctuations in commodity prices, interest rates and currency exchange rates. Operational risks include competition, environmental factors, reservoir performance uncertainties, a complex regulatory environment and safety concerns.

The Company minimizes its business risks by focusing on a select group of properties. This enables WesCan to have more control over the timing, direction and costs related to exploration and development opportunities. The geological focus is on areas in which the prospects are well understood by Management. Technological tools are regularly used to reduce risk and increase the probability of success. The Company closely follows all government regulations and has an up-to-date emergency response plan that has been communicated to all field operations. WesCan also carries insurance coverage to protect itself against potential losses.

Employing a highly motivated and experienced staff of petroleum and natural gas professionals further minimizes the business risk.

The Company is exposed to commodity price and market risk for its principal products of petroleum and natural gas. Commodity prices are influenced by a wide variety of factors of which most are beyond the control of WesCan.

CONTRACTUAL OBLIGATIONS AND COMMITMENT

Material contractual obligations not disclosed elsewhere in this MD&A are as follows:

1. The Company is required to pay by the regulation its proportionate share of asset retirement costs. The present value of WesCan's share of these costs are estimated at approximately $1.5 million.

2. Under the terms of the Company's oil and gas property interests, WesCan may face dilution or complete loss of certain oil and gas property interests should it fail to pay its share of expenditures authorized by the

Operator and/or other joint interest participants. Currently, there is no authorized work programs planned on the Company's jointly owned properties.

3. The Company has on-going lease payment obligations for P&NG rights. Failure by the Company (or the Operator, in the case of non-operated property interests) to pay such payments in a timely manner would result in a loss of the related P&NG rights.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. At March 31, 2017 and the date of this MD&A, the Company's issued share capital and the outstanding securities that are convertibles into or exercisable or exchangeable for any voting or equity securities of the Company are as follows:

Common shares	**21,753,991**
Stock Options	**1,300,000**

During the year a total of 4,166,617 warrants expired unexercised.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts included in balances payable to related parties consist of the following:

Payables to related parties

	March 31, 2017	**March 31, 2016**
Related party payble for services	41,799	19,203

Payables to former related parties

Balances due to former related parties consists of amounts owing to former officers and directors (or to persons related to them or companies controlled by them) for services, travel expenses, and advances. These amounts are non-interest bearing, unsecured and due on demand, unless otherwise noted.

	March 31, 2017	**March 31, 2016**
Related party payable for services	-	232,266
Related party payable for travel	-	18,939
Loans from related parties	-	37,052
Balance at the end of period	-	288,257

Related party transactions and balances entered into during the year-ended March 31, 2017 and 2016 not disclosed elsewhere in these financial statements are as follows:

Balances due to former related parties consists of amounts owing to former officers, directors (or to persons related to them or companies controlled by them) for services, travel expenses, and advances. These amounts are non-interest bearing or bear insignificant amounts of interest, unsecured and due on demand, unless otherwise noted. During the year ended March 31, 2017, the Company wrote off $290,241 of payables to former related parties as the statutory limitation period on such claims has passed.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, estimates of oil and natural gas reserves, fair value measurements for financial instruments and share-based payments and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, provision for doubtful accounts and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Management relies on the estimate of reserves as prepared by the Corporation's independent qualified reserves evaluator. The process of estimating reserves is critical to several accounting estimates. The process of estimating reserves is complex and requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development and production activities becomes available and as economic conditions impact crude oil and natural gas prices, operating expense, royalty burden changes, and future development costs charges. Reserve estimates impact net income through depreciation and impairment of petroleum and natural gas properties. Revision or changes in the reserve estimates can have either a positive or a negative impact on net income of the Corporation.

RESERVES ESTIMATES

Commercial petroleum reserves are determined based on estimates of petroleum-in-place, recovery factors and future oil and natural gas prices and costs. WesCan engages an independent qualified reserve evaluator to evaluate all of the Company's oil and natural gas reserves at each year-end.

Reserve adjustments are made annually based on actual oil and natural gas volumes produced, the results from capital programs, revisions to previous estimates, new discoveries and acquisitions and dispositions made during the year and the effect of changes in forecast future crude oil and natural gas prices. There are a number of estimates and assumptions that affect the process of evaluating reserves.

Proved reserves are the estimated quantities of crude oil, natural gas and natural gas liquids determined to be economically recoverable under existing economic and operating conditions with a high degree of certainty (at least 90 percent) those quantities will be exceeded. Proved plus probable reserves are the estimated quantities of crude oil, natural gas and natural gas liquids determined to be economically recoverable under existing economic and operating conditions with a 50 percent certainty those quantities will be exceeded. WesCan reports production and reserve quantities in accordance with Canadian practices and specifically in accordance with "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101").

The estimate of proved plus probable reserves is an essential part of the depletion calculation, the impairment test and hence the recorded amount of oil and gas assets. WesCan cautions users of this information that the process of estimating crude oil and natural gas reserves is subject to a level of uncertainty. The reserves are based on current and forecast economic and operating conditions; therefore, changes can be made to future assessments as a result of a number of factors, which can include commodity prices, new technology, changing economic conditions, and future reservoir performance and forecast development activity.

Recoverability of Asset Carrying Values

WesCan assesses its property, plant and equipment ("PP&E") for impairment by comparing the carrying amount to the recoverable amount of the underlying assets. The determination of the recoverable amount involves estimating the higher of an asset's fair value less costs to sell or its value-in-use, the latter of which is based on its discounted future cash flows using an applicable discount rate. Future cash flows are calculated based on estimates of future commodity prices and inflation and are discounted based on Management's current assessment of market conditions.

Recoverability of Exploration and Evaluation Assets

Exploration and evaluation ("E&E") assets are assessed for impairment by comparing the carrying amount to the recoverable amount. The assessment of the recoverable amount involves a number of assumptions, including the timing, likelihood and amount of commercial production, further resource assessment plans, and future revenue and costs expected from the asset, if any.

DECOMMISSIONING LIABILITIES

Decommissioning liabilities are the present value of management's estimate of future costs to be incurred to properly abandon and reclaim the Company's properties. Accretion expense is the increase in the decommissioning liabilities resulting from the passage of time. Decommissioning liabilities decreased to $1,472,536 as at March 31, 2017 from $1,619,331 as at March 31, 2016. The decrease was primarily due to a change in estimates of the future costs.

Asset Retirement Obligations

WesCan recognizes a provision for future abandonment activities in the consolidated financial statements at the net present value, discounted at the risk-free rate, of the estimated future expenditures required to settle the estimated obligation at the balance sheet date. The measurement of the asset retirement obligation ("ARO") involves the use of estimates and assumptions including the discount rate, the amount and expected timing of future abandonment costs and the inflation rate related thereto. The estimates were made by Management considering current costs, technology and enacted legislation.

Income Tax Accounting

WesCan follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the enacted or substantively enacted income tax rates. Current income taxes for the current and prior periods are measured at the amount expected to be recoverable from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period. The deferred income tax assets and liabilities are adjusted to reflect changes in enacted or substantively enacted income tax rates that are expected to apply, with the corresponding adjustment recognized in earnings or in shareholders' equity depending on the item to which the adjustment relates.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded by Management.

FINANCIAL INSTRUMENTS

Details on the Company's significant financial instruments are as follows:

Cash and cash equivalents

Cash and cash equivalents are held in demand accounts at a Canadian chartered bank. The Company does not believe it is subject to any significant counterparty risk with respect to cash.

Accounts Receivable

Accounts receivables typically arise from normal joint operating arrangements governing the Company's producing oil and gas properties. Credit valuations are performed on a regular basis and the financial statements take into account any requirement for an allowance for bad debts.

Management does not assess material credit risk to exist in respect of accounts receivable other than in regard to those amounts subject to a provision for impairment.

Accounts Payable

At March 31, 2017 accounts payable consists of amounts owing to suppliers under normal industry credit terms.

FINANCIAL INSTRUMENT RISK

Significant sources of financial instrument risk are detailed as follows:

Interest Rate Risk

The Company has no debt instruments outstanding, other than trade credit as provided from time to time. The Company does not believe its overall exposure to interest rate risk is material at this time.

Currency Risk

The Company currently generates revenue from a natural gas well in the USA. Changes in the U.S. denominated value of the Canadian dollar could not impact the Canadian dollar cost of meeting any future obligations under that prospect and will affect the Canadian dollar-denominated value of natural gas production.

The Company is exposed to foreign currency risk on its U.S dollar denominated assets and financial liabilities. At March 31, 2017 the Canadian dollar cost of paying the Company's US dollar denominated liabilities and property payment commitments would have no material impact with a 1% increase in the value of the US dollar relative to the Canadian dollar.

Commodity Price Risk

The Company is exposed to material oil and gas commodity price risks. A relative decrease in the price of oil and gas would reduce the Company's cash flows, reduce the realizable market value of the Company's oil and gas assets, reduce the Company's economic reserves, and make it more difficult for the Company to raise the equity capital required to meet its commitments and carry out its development-stage business plans. The Company sells its production on the spot market. Management has assessed that the Company's degree of exposure to commodity price risk is material, however, it remains consistent with our development-stage oil and gas operations.

Liquidity Risk

The Company faces material liquidity risk in that it has approximately $716,000 in payables to trade and other payables to unrelated parties overdue at March 31, 2017 and insufficient cash on hand to satisfy those debts should they be demanded. The Company is seeking equity financing in order to obtain additional liquidity to mitigate and resolve this risk.

OUTLOOK

The producing assets acquired, establish a core area for the Company consisting of 100-per-cent-operated, low-decline crude oil and associated gas production. Current production is approximately 120 barrels of oil equivalent per day (85 per cent oil and natural gas liquids, 15 per cent natural gas). The property also includes 100-per-cent ownership of key producing infrastructure, including batteries and related pipelines. Management has identified approximately eight shut-in wells that require re-activations on the property due to certain mechanical failures and limited working capital of the receiver. The Company during the period, successfully completed two re-activations on the property resulting in approximately 20 barrels of oil equivalent per day. It is expected that once the re-activations are completed, the added production from these wells will add approximately 65 to 75 barrels of oil equivalent per day. Management has also identified approximately 15 low-risk horizontal development drilling locations that are supported within a defined area of 3-D seismic.

Management will continue to focus it's attention on the future development and exploitation of the property and is confident that the underlying reserves will now be realized with the intended disciplines and experience of capturing the future growth potential of the property. The Company anticipates that the second half of 2016 will position the Company to take advantage of lower service and field operating costs in light of declining oil prices. The identified, low cost optimization projects in addition to the re-activation of the shut-in wells acquired, will continue to increase the Company's cash flow from these planned activities while providing attractive payouts and return on capital.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The financial statements for the years ended March 31, 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies have been applied consistently to all periods presented in the financial statements.

Non-IFRS Measures

This MD&A includes the following measures that are from time to time used by the Company, however, they do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies:

a) "Funds from operations" should not be considered an alternative to, or more meaningful than, "cash flow from operating activities" as determined in accordance with IFRS as an indicator of the Company's financial performance. Funds from operations is determined by removing the change in working capital applicable to operating activities from cash flow from operating activities. Management believes that in addition to cash flow from operating activities, funds from operations is a useful supplemental measure as it provides an indication of the results generated by the Company's principal business activities before the consideration of how such activities are financed.

b) "Operating income" – Operating income is calculated by deducting royalties and production expenses, including transportation costs, from revenues.

c) "Operating netback" – Operating netback is calculated by deducting royalties and production expenses, including transportation costs, from revenues on a per unit basis.

OIL AND GAS PRODUCTION ESTIMATES

Oil and gas reserves and expected production information disclosed herein reflect the reserves attributed to those particular properties as disclosed in our Form 51-101 report. This document is to be read in conjunction with that report, as at July 28, 2017 and available at www.Sedar.com. The reader is cautioned that the estimates of reserves (and, by extension, estimates of well life and production rates derived from reserves estimates) and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Prospective resources are the estimated potentially recoverable portion of undiscovered resources. Prospective resources are defined as those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations.

BOE PRESENTATION

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. A boe conversion ratio of 6 mcf:1 bbls is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Per diem production (expressed in terms of bbls/d, mcf/d or boe/d) is expressed on the basis of total volumes produced in a specified period, divided by the total number of calendar days within that period.

As per our revenue recognition policy, production revenue is recognized when measurable, upon the passage of title, and when collectability can be reasonably assured. Accordingly, production volumes stated herein reflect volumes sold, and thus may not directly relate to flow-rates.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained herein including, without limitation, Management's assessment of future plans and operations, development drilling plans and the timing thereof, plans to limited expenditures to essential projects and strategic acquisitions, expectation that the Company will continues to expand when commodity prices recover and the expected timing thereof, plans to finance continuing development expenditures, expected effects of low oil prices, and expected commodity prices, may be forward-looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions may be used to identify these forward-looking statements. These statements reflect Management's beliefs at the date of the report and are based on information available to Management at that time. Forward-looking statements involve significant risk and uncertainties.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the financial risk factors as outlined herein. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect WesCan's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at WesCan's website (www.wescanenergycorp.com). Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, including but not limited to assumptions as to the price of oil and natural gas, interest rates, exchange rates and the regulatory and legal environment in which WesCan operates, the recoverability and production characteristics of WesCan's reserves, WesCan's capital expenditures program and future operations and other matters, Management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry is based on estimates prepared by Management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. This data, however, is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.