

WESCAN ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of WesCan Energy Corp. ("WesCan" or the "Company") dated November 27th, 2023, which includes its subsidiaries, is for the three and six months ended September 30, 2023. For a full understanding of the financial condition and results of operations of the Company, the MD&A should be read in conjunction with the Company's audited consolidated financial statements at March 31, 2023 together with the documents filed on SEDAR, including historical financial statements and MD&A. These documents are available at www.sedar.com.

DESCRIPTION OF BUSINESS

WesCan is an evolving exploration and production company with a key objective of providing its shareholders with attractive, long term sustainability by developing and exploiting the Company's 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 of 100% operated, oil-weighted properties characterized by multi-zone oil reservoirs with low declines that include a number of low risk, multi-lateral horizontal development drilling locations. WesCan continues to pursue and evaluate strategic acquisitions with synergistic characteristics of long life producing assets and opportunities with low risk, upside potential.

RESULTS OF OPERATIONS

PRODUCTION						
	Three months ended September 30			Six months ended September 30		
			%			%
	2023	2022	Change	2023	2022	Change
Total BOE						
Oil & NGL (BBL/D)	84	87	(3)	176	178	(1)
Natural Gas (MCF/D)	50	154	(68)	281	312	(10)
Total (BOE/D)	93	113	(18)	223	230	(3)
Oil & NGL % of Production	91%	77%		79%	77%	

Oil and NGL production decreased 5% from 87 BBL/D in the three months ended September 30, 2022 to 84 BBL/D in the three months ended September 30, 2023. The marginal decrease is a result of a combination of a decrease in commodities prices, routine field maintenance costs during the period. Associated natural gas production decreased 68% from 154 MCF/D in 2022 to 50 MCF/D in 2023.

	Six months ended September		
	2023	2022	% Change
Average Benchmark Prices:			
WTI crude oil (US\$/BBL)	78.9	101.44	(22)
US\$/CDN\$ exchange rate	0.75	0.78	(4)
Bow River crude oil (CDN\$/BBL)	89.45	110.57	(19)
AECO daily spot (\$/GJ)	2.57	5.95	(57)
Average Realized Prices:			
Light and medium oil (\$/BBL)	94.88	108.63	(13)
Natural gas (\$/MCF)	2.49	5.86	(58)
Average price (\$/BOE)	87.64	90.96	(4)

WTI crude traded down 22% from an average price of \$101.44 (US\$/BBL) during 2022 to an average price of \$78.90 (\$US/BBL) in 2023. Bow River crude traded down 19% from an average price of 110.57 (\$CDN/BBL) in 2022 to an average price of \$89.45 (\$CDN/BBL) during 2023. The average realized price for AECO natural gas decreased 57% from \$5.95/MCF in 2022 to an average price of \$2.57/MCF in 2023.

REVENUE

(\$)	Three months ended September 30			Six months ended September 30		
	2023	2022	% Change	2023	2022	% Change
Oil & NGL Sales	729,167	740,937	(2)	1,393,743	#####	(20)
Natural Gas Sales	11,431	60,110	(81)	62,778	166,255	(62)
Oil & Natural Gas Sales	740,598	801,047	(8)	1,456,521	#####	(23)

A 13% decrease in the realized price for crude oil from \$108.63 per BBL during the month ended September 30, 2022 to \$94.88 per BBL for the same quarter of 2023 resulted in a 2% decrease in oil and NGL sales. The realized price for an MCF of natural gas was \$2.49 in 2023. The realized price for an MCF of natural gas for the same period in 2022 was \$5.86.

ROYALTIES

(\$)	Three months ended September 30			Six months ended September 30		
	2023	2022	% Change	2023	2022	% Change
Crown Royalties	18,983	63,748	(70)	8,152	164,451	(95)
Freehold Royalties	44,786	75,863	(41)	91,363	168,275	(46)
Royalty Expense	63,769	139,611	(54)	99,515	332,726	(70)
Royalty Expense as a % of Sales	9%	17%		7%	18%	
Royalty Expense per BOE	8	14		5	16	

There was 54% decrease in total royalty expense from \$139,611 in the three months ended September 30, 2022 to \$63,769 for the same period in 2023. Royalties as a percentage of revenues remain low at approximately 9% in 2023.

OPERATING EXPENSE

(\$)	Three months ended September 30			Six months ended September 30		
	2023	2022	% Change	2023	2022	% Change
Operating costs	293,145	262,127	12	650,351	849,538	(23)
Operating costs as a % of Sales	40%	33%		45%	45%	
Operating costs per BOE	35	26		32	41	

IFRS rules require that the cost to re-enter or workover existing wells are to be expensed and not capitalized into property plant and equipment. During the three-months ended September 30, 2023, the Company expended \$23,569 on well workovers (2022 - \$408,080) on its core property. In revenue from prior period resulted in the percentage of operating expenses to revenues to remain the same at 45% during the current period. Operating expenses increased from 262,127 for the three month period ended September 30, 2022 to 293,145 during the corresponding period in 2023.

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A")

(\$)	Three months ended September 30			Six months ended September 30		
	2023	2022	% Change	2023	2022	% Change
Gross G&A	221,891	150,373	48	344,021	269,143	28
Capitalized G&A	-	-	-	-	-	-
Net G&A expense	221,891	150,373	48	344,021	269,143	28
Net G&A expense per BOE	26	15		17	13	

Overhead cost increases resulted in a 28% increase in G&A expenses from 2022 to 2023 due to an increase in professional and management fees. The Company does not capitalize any G&A

INTEREST AND FINANCE EXPENSE

Interest expense is generated entirely by the interest payable on the convertible loans outstanding. The Company has no bank debt.

NETBACKS

(\$ / BOE)	Three months ended September 30			Six months ended September 30		
	2023	2022	%	2023	2022	%
			Change			Change
Oil Sales	87.64	78.24	12	71.71	90.96	(21)
Royalties	(7.55)	(13.64)	(45)	(4.90)	(15.92)	(69)
Operating costs	(34.69)	(25.60)	36	(32.02)	(40.66)	(21)
Operating Netback	45.40	39.00	16	34.79	34.38	1

Operating netbacks per BOE were up from \$34.38/BOE in 2022 to a \$34.79/BOE in 2023 due to combination of decreased commodities prices, reduced well workovers and lower field-related maintenance costs.

DEPLETION, DEPRECIATION AND ACCRETION

(\$)	Three months ended September 30			Six months ended September 30		
	2023	2022	%	2023	2022	%
			Change			Change
Depletion	121,497	139,060		283,740	254,160	
Depreciation	-	-		-	-	
Accretion	12,580	9,500		25,160	19,000	
DD&A	134,077	148,560	(10)	308,900	273,160	13
DD&A per BOE	16	15		15	13	

IMPAIRMENT

Impairment is recognized when the carrying value of an asset or group of assets exceeds its recoverable amount, defined as the higher of its value in use or fair value less costs of disposal. Any asset impairment that is recorded is recoverable to its original value less any associated DD&A expense should there be indicators that the recoverable amount of the asset has increased in value since the time of recording the initial impairment.

As at September 30, 2023, the Company evaluated its developed and producing (“D&P”) assets and exploration and evaluation (“E&E”) assets on a Cash Generating Unit basis for indicators of any potential impairment or related recovery. As a result of this assessment, no indicators were identified and no impairment or related reversal was recorded on the Company’s D&P assets and E&E assets for the three-months ended September 30, 2023.

FUNDS FROM OPERATIONS

	Three months ended		Six months ended	
	September 30		September 30	
(\$ except per share amount)	2023	2022	2023	2022
Cash flow from (used in) operating activities	(50,686)	1,095,504	37,641	1,263,565
Changes in non-cash working capital	210,879	(846,527)	321,457	(814,477)
Funds from operations	160,193	248,977	359,098	449,088
Per share - basic / diluted	0.00	0.01	0.01	0.01

CAPITAL EXPENDITURES

	Three months ended			Six months ended		
	September 30		%	September 30		%
	2023	2022	Change	2023	2022	Change
Acquisition of oil and gas assets	-	-		-	-	
Expenditures on E&E assets	9,191	1,182,448		80,460	1,182,448	
Total capital expenditures	9,191	1,182,448	100.00	80,460	1,182,448	100.00

The Company incurred \$80,460 in capital expenditures during the period ended September 30, 2023. Provided well was drilled last year significant Y/Y Capital Expenditure expenses were realized.

DECOMMISSIONING LIABILITIES

	September 30	March 31
(\$)	2023	2023
Balance, beginning of the period	1,768,147	1,730,925
Accretion	25,160	32,977
Change in estimates	-	4,245
Balance, end of period	1,793,307	1,768,147

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. At September 30, 2023 and the date of this MD&A, the Company's issued share capital and the outstanding securities that are convertible into or exercisable or exchangeable for any voting or equity securities of the Company are as follows:

Common shares	41,347,958
Stock Options	2,475,000
Warrants	Nil

CAPITAL RESOURCES AND LIQUIDITY

WesCan's major source of liquidity has been the issuance of equity capital. The Company obtains equity capital financings 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.

In order to continue as a going concern and meet the Company commitments and current obligations, the Company will require additional equity financing(s) during the next twelve months. At September 30, 2023, the Company's working capital deficiency was \$2,665,997 (March 31, 2023 - \$2,900,023).

Additional equity financing(s) will be required in order to carry out the exploration and development necessary to achieve a self-sustaining level of production, revenue, cashflow and to further achieve our oil and gas business objectives. There is no assurance that the Company will be successful in obtaining any such financing.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These were used to provide interim, short-term financings to meet day-to-day cash flow requirements and are not intended to be a long-term source of capital. At September 30, 2023, the Company has convertible loans owing to related parties in the amount of \$1,607,319 including accrued interest. These loans are due on demand and bear interest of up to 10% per annum. They are unsecured and have no fixed re-payment terms and may be convertible into equity at the option of both the Company and its Lenders. As a result, the Company is unable to estimate the allocation of value between the debt and the equity component, therefore, no value has been ascribed to the equity component on the convertible aspect of these loans.

Our ability to obtain financing is sensitive to economic factors and 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 September 30, 2023.

SUMMARY OF QUARTERLY INFORMATION

Quarters ended	2024		2023			2022		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
OPERATING								
Average daily production								
Oil & NGL (BBL/D)	84	92	107	99	87	91	42	46
Natural gas ((MCF/D)	50	230	56	159	154	158	22	57
Total BOE (BOE/D)	93	130	116	126	113	117	45	56
Average sales price								
Oil (\$/BBL)	95.84	81.18	72.95	77.05	94.70	121.80	98.62	79.13
Natural gas (\$/MCF)	2.49	2.45	3.49	5.72	4.29	4.38	4.96	4.38
Total (\$/BOE)	87.64	60.37	59.82	68.14	78.24	103.18	79.95	69.59
Operating netback (\$/BOE)								
Oil & gas sales	87.64	60.37	59.82	68.14	78.24	103.18	79.95	69.59
Royalty expense	7.55	3.01	3.35	10.59	13.64	18.12	8.51	7.68
Operating expense	34.69	30.12	25.51	60.80	25.60	55.13	69.93	57.96
Netback	45.40	27.24	30.96	(3.25)	39.00	29.93	1.51	3.95
FINANCIAL								
Oil & gas sales	740,598	715,923	813,449	786,198	801,047	1,099,415	421,247	357,665
Funds from operations	160,193	198,905	65,904	(187,039)	248,977	200,111	(200,108)	(82,423)
Per share - Basic/Diluted	0.00	0.00	0.00	(0.00)	0.01	(0.01)	(0.00)	(0.00)
Cash flow from (used in)	(210,879)	(110,578)	(593,400)	(93,496)	1,095,502	166,188	(26,435)	(101,631)
Per share – Basic/Diluted	(0.01)	(0.00)	(0.01)	(0.00)	0.03	0.00	(0.00)	(0.00)
Net Income (loss)	3,689	1,898	(64,955)	(381,761)	88,734	71,339	102,089	(236,721)
Per share – Basic/Diluted	0.00	0.00	(0.00)	(0.01)	0.00	0.00	0.00	(0.01)
Capital expenditures	-	-	-	-	-	-	-	-
Total Assets	6,571,588	6,938,078	7,028,773	7,551,713	7,782,776	6,947,744	5,828,830	5,057,659
Working capital (deficiency)	(2,665,997)	(2,794,571)	(2,821,921)	(2,696,624)	(2,053,984)	(1,116,330)	(1,637,269)	(1,772,874)
Shareholders' Equity	1,602,423	1,598,734	1,726,497	1,791,451	2,173,214	2,076,979	1,680,640	1,070,290
Shares Outstanding	41,347,958	41,347,958	41,347,958	41,347,958	41,347,958	41,347,958	41,347,958	36,347,958

The most important trend over the last eight quarters has been the fluctuations in the price of oil from a high of \$121.80/BBL on Q1 of 2023 to a low of \$72.95/BBL in Q4 of 2023. The price of natural gas from a high of \$5.72/MCF in Q3 2023 to a low of \$2.45/MCF in Q1 2024. Netbacks per BOE were up to \$45.40 in Q2 of 2024 from -\$3.25 in Q3 of 2023 were primarily due to a combination of higher commodity prices and lower operating costs.

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 Company'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 Company.

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 National Instrument 51-101 - *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 PROVISION

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 increased to \$1,793,307 as at September 30, 2023 from \$1,768,147 as at March 31, 2023.

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.

FINANCIAL INSTRUMENT RISK

Significant sources of financial instrument risk are detailed as follows:

Interest Rate Risk

Interest rates applicable on the loans payable are fixed and accordingly are not subject to interest rate volatility during the year.

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 September 30, 2023 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 cashflows, 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 its development-stage oil and gas operations.

Liquidity Risk

The Company faces material liquidity risk in that it has \$1,508,539 in accounts payables and payable to trade and related parties at September 30, 2023 and insufficient cash on hand to satisfy those debts should they be demanded. The Company is seeking equity financing(s) in order to obtain additional liquidity to mitigate and resolve this risk.

OUTLOOK

Management continues to focus its attention on the future development and exploitation of our core property and is confident that the underlying reserves will capture the future growth potential of the property. With the on-going focus of identifying low cost optimization projects and the re-activation of shut-in wells, such efforts will continue to increase the Company's cashflow while providing attractive payouts and return on capital.

In addition, Management is currently reviewing the geological and reservoir engineering evaluations for a number of new development drilling opportunities that exist on the Company's property. While the Company continues to further examine the overall potential of the project, management remains perceptive and vigilant of the international markets and the domestic commodity pricing environment. Such influences continue to be prudently reviewed and evaluated prior to any significant capital expenditure with the objective of preserving our reserves and obtaining more favorable pricing for our resources.