

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 February 23 2026, which includes its subsidiaries, is for the three and nine months ended December 31, 2025. 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, 2025 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

All financial and operating metrics were higher in 2025 compared to 2024. This was a result of production increasing from 2024 **despite** lower commodity prices. Average production increased by 55% to 225 boe/d in Q3/26 from 146 boe/d in Q3/25. While benchmark prices for WTI and Bow River crude traded down 6% and 7% respectively, the increase in oil revenue was driven by the volume contribution from the new high-impact well.

PRODUCTION	Three months ended			Nine months ended		
	December 31			December 31		
	2025	2024	Change	2025	2024	Change
Total BOE						
Oil - 76% light/med 24% heavy (BBL/D)	192	119	61	133	126	6
Natural Gas Liquids (BBL/D)	6	4	50	5	5	-
Conventional Natural Gas (MCF/D)	163	129	26	125	125	-
Total (BOE/D)	225	146	55	159	152	5
Oil & NGL % of Production	88%	85%		87%	86%	

Average production increased by 55% to 225 boe/d in Q3/26 from 146 boe/d in Q3/25. The increase is due to a new drilled well on stream.

PRICES

	Nine months ended December 3		
	2025	2024	% Change
Average Benchmark Prices:			
WTI crude oil (US\$/BBL)	63.72	68.10	(6)
US\$/CDN\$ exchange rate	0.72	1.89	(62)
Bow River crude oil (CDN\$/BBL)	74.25	80.14	(7)
AECO daily spot (\$/GJ)	1.47	1.89	(22)
Average Realized Prices:			
Light and medium oil (\$/BBL)	72.11	84.50	(15)
Natural gas (\$/MCF)	1.87	0.97	93
Average price (\$/BOE)	63.91	71.79	(11)

WTI crude traded down 6% from an average price of \$68.10 (US\$/BBL) during 2024 to an average price of \$63.72 (\$US/BBL) in 2025. Bow River crude traded down 7% from an average price of 80.14 (\$CDN/BBL) in 2024 to an average price of \$74.25 (\$CDN/BBL) during 2025. The average realized price for AECO natural gas decreased 22% from \$1.89/MCF in 2024 to an average price of \$1.47/MCF in 2025.

REVENUE

(\$)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
Oil & NGL Sales	1,294,848	941,655	38	2,740,913	3,150,621	(13)
Natural Gas Sales	28,153	11,520	144	47,064	23,172	103
Total revenue	1,323,001	953,175	39	2,787,977	3,173,793	(12)

Revenue in Q3/26 was \$1,294,848 a 38% increase from Q3/25 revenue \$941,655. When comparing Q3/26 to Q3/25, the increase in oil was a result of increased production from the new well drilled despite lower commodity price. The increase in natural gas revenue was solely attributable to increase production in a new well.

ROYALTIES

(\$)	Three months ended December 31			Nine months ended December 3		
	2025	2024	% Change	2025	2024	% Change
Crown Royalties	32,900	49,204	(33)	91,143	178,874	(49)
Freehold Royalties	149,644	70,289	113	278,343	206,269	35
Royalty Expense	182,544	119,493	53	369,486	385,143	(4)
Royalty Expense as a % of Sales	14%	13%		13%	12%	
Royalty Expense per BOE	9	10		8	9	

For this quarter ended, total royalty expense increased by 53% from \$119,493 in Q3/25 to \$182,544 in Q3/26 due to increased production of the new well production. With exception for crown royalties, during Q3/26 there was decrease of 33% from \$49,204 in Q3/25 to \$32,900 in Q3/26 mainly due to lower in Oil Par prices.

OPERATING EXPENSE

(\$)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
Operating expense	519,175	639,183	(19)	1,341,458	1,968,276	(32)
Workover expenses	36,986	36,591	1	78,536	274,203	(71)
Total operating costs	556,161	675,774	(18)	1,419,994	2,242,479	(37)
Operating costs as a % of Sales	42%	71%		51%	71%	
Operating costs per BOE	\$ 27.00	\$ 51.00		\$ 33.00	\$ 54.00	

Total operating costs decreased by 18% to \$556,161 in quarter ended 2025 from \$675,774 for the same quarter ended 2024 primarily due to reduce maintenance and workovers compared to previous year.

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A")

(\$)	Three months ended December 31			Nine months ended December 31		
	2025	2024	Change	2025	2024	% Change
Gross G&A	91,748	87,156	5	262,340	271,791	(3)
Net G&A expense per BOE	\$ 4.43	\$ 7.00		\$ 6.02	\$ 7.00	

General and Administrative expenses increased slightly by 5% in Q3/26, from \$87,156 in Q3/25 to \$91,748, mainly because the engineering study for a new drilling prospect in the core area was completed.

INTEREST AND FINANCE EXPENSE

Interest expense is generated entirely by the notes payable. These amounts bear interest of 12%, are secured and mature within three years in 2028.

FINANCE EXPENSE

	Three months ended December 31			Nine months ended December 31		
	2025	2024	Change	2025	2024	% Change
Interest expense	101,498	63,197		250,564	183,290	
Total finance expense	101,498	63,197	61	250,564	183,290	37
Total (\$/boe)	\$ 4.90	\$ 5.00		\$ 5.75	\$ 4.00	

Total finance expense for the quarter ended December 31, 2025 increased from the same quarter ended in 2024 due to increase in repayment of debt.

NETBACKS

(\$ / BOE)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
Oil Sales	63.91	71.79	(11)	64.01	76.35	(16)
Royalties	(8.82)	(9.00)	(2)	(8.48)	(9.27)	(9)
Operating costs	(26.87)	(50.89)	(47)	(32.60)	(53.95)	(40)
Operating Netback	28.22	11.90	137	22.93	13.13	75

1. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

During the Q3/26, operating netback increase 137% to \$28.22/boe from \$11.90/boe for the same period in Q3/25 was attributed to a decrease in operating costs relating to workovers and compressor repairs and offset by an increase of total oil production of 55% from 146 boe/d in the quarter ended 2024 to 225 boe/d same quarter ended 2025.

DEPLETION, DEPRECIATION AND ACCRETION ("DD&A")

(\$)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
DD&A	364,393	222,817		785,042	701,017	
Total	364,393	222,817	64	785,042	701,017	12
DD&A (\$/boe)	\$ 17.60	\$ 17.00		\$ 18.03	\$ 17.00	

Depletion, depreciation, and accretion (DD&A) costs increased by 64% in quarter ended 2025 to \$364,393 from \$222,817 same quarter 2024. The increase is primarily attributable to a reallocation of capital expenditures and from the depletable base to probable reserves as well as increase in depletable production volumes during the current period.

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.

At December 31, 2025, the Company did not identify indicators of impairment or reversal of previous impairments.

FUNDS FROM OPERATIONS

(\$ except per share amount)	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
Cash flow from (used in) operating activities	253,356	110,727	129	284,597	204,297	39
Changes in non-cash working capital	239,192	(39,975)	(698)	451,560	70,083	544
Funds from operations	492,548	70,752	596	736,157	274,380	168
Per share - basic / diluted	0.01	0.00		0.02	0.01	

Cash flow from operating activities increased by 596% to 492,548 in Q3/26, compared to \$70,752 in Q3/25 attributed to mainly to a new drilled well.

CAPITAL EXPENDITURES

	Three months ended December 31			Nine months ended December 31		
	2025	2024	% Change	2025	2024	% Change
Land and seismic	-	-		-	-	
Drilling and completions	-	-		1,366,497	-	
Facilities, pipelines and well equipment	-	-		176,016	150,689	
Total capital expenditures	-	-	-	1,542,513	150,689	924

The total expenditures is \$nil in Q3/26 to \$nil from in Q3/25.

DECOMMISSIONING LIABILITIES

(\$)	December 31 2025	March 31 2025
Balance, beginning of the year	2,044,646	1,537,128
Accretion	42,825	60,372
Change in estimates	-	447,146
Balance, end of year	2,087,471	2,044,646
Less: current portion	162,632	162,632
Long-term portion	1,924,839	1,882,014

During the quarter ended December 31, 2025, the total carrying amount of decommissioning increased to \$2,087,471 from \$2,044,646 at March 31, 2025, due to increases in the risk-free rate.

LONG-TERM DEBT

As at December 31, 2025, total long-term debt was \$2,109,446. These amounts bear interest of 12%, are secured and mature within three years in 2028.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. At December 31, 2025, 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	44,662,958
Stock Options	4,325,000
Warrants	Nil

CAPITAL RESOURCES AND LIQUIDITY

WesCan has successfully transitioned its primary source of liquidity from the issuance of equity capital to internally generated cash flow from operations. Following the successful completion of a high-impact multilateral well in late 2025, the Company's production increased 55% to 225 boe/d. This surge in production has allowed the Company to move toward a self-sustaining financial model.

Operational Self-Sufficiency and Debt Reduction

- **Cash Flow Growth:** Cash flow from operating activities increased by 596% to \$492,548 in Q3/26, compared to \$70,752 in Q3/25.
- **Organic De-leveraging:** This robust cash flow is now sufficient to fund the Company's minimal day-to-day corporate overhead and provide a dedicated stream for the systematic repayment of notes payable.
- **Balance Sheet:** At December 31, 2025, the Company's working capital deficiency was \$1,263,009 (March 31, 2025 - \$981,640).
- **Sustainable Operations:** Management considers debt to be a temporary supplement to capital; accordingly, current field-level profitability (operating netbacks of \$28.22/boe) is being prioritized for organic debt reduction.

Strategic Capital Requirements

- **Legacy Obligations:** At December 31, 2025, the Company has notes payable in the amount of \$3,303,922 including accrued interest. These notes bear interest at 12% and are secured, with a maturity date in 2028.

- **Future Growth Funding:** While current cash flows are adequate for existing operations, the Company requires additional equity financing specifically to fund its 2026 exploration and development targets.
- **Expansion Objectives:** To accelerate growth without disrupting the current debt-repayment trajectory, the Company intends to seek targeted equity financing during the next twelve months to fund a new drilling program.
- **Market Sensitivity:** The Company's ability to obtain this expansion capital remains sensitive to economic factors, including commodity price volatility and the domestic interest rate environment.

Non-IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures

This document contains the terms "operating costs", "operating netback" and "operating field netback", which are non-IFRS financial measures, or ratios. The Company uses these measures to help evaluate WesCan's performance. These non-IFRS financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measures of "quarterly funds from operations", "working capital deficiency (surplus)".

- Funds from operations (Capital Management Measure) - funds flow is calculated by taking cash-flow from operating activities on a periodic basis and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs. Expenditure on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Funds flow and cash flow from (in used) per share is calculated using the same weighted average basic and diluted shares that are used in calculating income (loss) per share, which results in the measure being considered a non-IFRS financial ratio.
- Operating costs, Operating Netback and Operating Field Netback (Non-IFRS Financial Measures, and Non-IFRS Financial Ratios if calculated on a per boe basis) - Management uses certain industry benchmarks, such as net operating costs, operating netback and operating field netback, to analyze financial and operating performance. Operating netback equals total petroleum and natural gas sales, including realized gains and losses on commodity, less royalties, net operating costs and transportation expense and can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Operating field netback equals total petroleum and natural gas sales, less royalties, net operating costs and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate WesCan's operational performance, as it demonstrates field level profitability relative to current commodity prices. The calculation of the Company's netbacks can be seen in the section titled "Operating Netback".

SUMMARY OF QUARTERLY INFORMATION

Quarters ended	2026			2025			2024		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
OPERATING									
Average daily production									
Oil - 76% light/med 24% heavy (BBL)	192	112	94	103	119	129	131	93	
Natural Gas Liquids (BBL/D)	6	5	5	5	4	5	4	1	
Conventional Natural gas ((MCF/D)	163	63	148	140	129	149	98	18	
Total BOE (BOE/D)	225	128	123	131	144	159	152	97	
Average sales price									
Oil & NGL (\$/BBL)	71.17	73.87	73.21	86.04	83.30	86.61	93.41	80.68	
Natural gas (\$/MCF)	1.87	0.35	1.25	1.60	0.97	0.23	0.96	2.08	
Total (\$/BOE)	63.91	68.00	60.08	72.41	71.79	73.31	83.94	78.07	
Operating netback (\$/BOE)									
Oil & gas sales	63.91	68.00	60.08	72.41	71.79	73.31	83.94	78.07	
Royalty expense	8.82	9.19	7.13	8.28	9.00	9.97	8.78	6.31	
Operating expense	26.87	39.65	35.89	55.32	50.89	51.89	59.05	57.80	
Netback	28.22	19.16	17.06	8.81	11.90	11.45	16.11	13.96	
FINANCIAL									
Oil & gas sales	1,323,001	790,371	674,605	861,093	953,175	1,062,373	1,158,245	688,460	
Funds from operations	492,548	138,809	104,800	250,820	70,752	35,766	167,862	55,947	
Per share - Basic/Diluted	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	
Cash flow from (used in)	253,356	(170,725)	201,966	370,506	110,727	(163,410)	256,980	159,951	
Per share - Basic/Diluted	0.01	(0.00)	0.00	0.01	0.00	(0.00)	0.01	0.00	
Net Income (loss)	9,067	(192,681)	(151,015)	(293,599)	(215,262)	(135,453)	(155,655)	93,440	
Per share - Basic/Diluted	0.00	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	0.00	
Capital expenditures	1,542,513	1,524,964	14,749	-	-	74,013	76,676	49,668	
Total Assets	6,861,177	7,191,179	5,641,189	5,843,417	5,689,488	5,969,036	6,325,560	6,055,273	
Working capital (deficiency)	(1,263,009)	(1,339,139)	(1,021,038)	(981,640)	(2,379,694)	(2,387,249)	(2,632,390)	(2,622,323)	
Shareholders' Equity	997,309	970,652	1,145,743	1,296,758	1,403,498	1,618,761	1,521,089	1,673,618	
Shares Outstanding	44,622,958	44,622,958	44,622,958	44,622,958	44,622,958	44,622,958	41,472,958	41,472,958	

The most important trend over the last eight quarters has been the decrease in the price of oil from a high of \$93.41/BBL on Q1 of 2025 to a low of \$71.17/BBL in Q3 of 2026. The price of natural gas went from a high of \$2.08/MCF in Q4 2024 to a low of \$0.23/MCF in Q2 2025. Netbacks per BOE were up to \$28.22 in Q3 of 2026 from \$8.81 in Q4 of 2025 were primarily due to increased production volumes and significant operational efficiencies—specifically a decrease in operating costs which more than offset the year-over-year decline in realized commodity prices.

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 that 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 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 \$2,087,471 as at December 31, 2025, from \$2,044,646 as at March 31, 2025.

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

Changes in the U.S. denominated value of the Canadian dollar would not impact the Canadian dollar cost of meeting any future obligations under that prospect but 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 December 31, 2025, 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 our development-stage oil and gas operations.

Liquidity Risk

The Company faces material liquidity risk in that it has \$3,776,397 in accounts payable and payable to trade and related parties notes payable at December 31, 2025 and insufficient cash on hand to satisfy those debts should they be demanded. The Company is seeking equity financing(s) to obtain additional liquidity to mitigate and resolve this risk.

OUTLOOK

Management has successfully transitioned WesCan to a self-sustaining operational model. Current production generates robust cash flow sufficient to fund day-to-day operations and the systematic repayment of debt. To accelerate our growth trajectory and exploit further high-impact drilling opportunities identified for 2026, the Company intends to seek targeted equity financing. This will allow the Company to expand its reserve base while preserving the cash flow currently dedicated to organic de-leveraging. Prior to any significant future capital expenditure, all plans will be prudently reviewed and evaluated against market conditions and the domestic

commodity pricing environment with the objective of preserving our reserves and obtaining more favorable pricing for our resources.

BARRELS of OIL EQUIVALENT

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, 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 ratio of 6:1 may be misleading as an indication of value.