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 28, 2022, which includes its subsidiaries, is for the three and nine months ended December 31, 2021. 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, 2021 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 December 31			Nine months ended December 31		
	2021	2020	**% Change**	2021	2020	**% Change**
Oil & NGL (BBL/D)	46	51	(10)	53	53	-
Natural Gas (MCF/D)	57	22	159	19	65	(71)
Total (BOE/D)	56	55	2	56	64	(12)
Oil & NGL % of Production	83%	93%		94%	83%	

Oil and NGL production essentially remain unchanged from 53 BBL/D in the nine months ended December 31, 2020 to 53 BBL/D during the nine months ended December 31, 2021. Associated natural gas production decreased 71% from 65 MCF/D in 2020 to 19 MCF/D for the current period due to mechanical issues that were subsequently resolved during the current quarter. Natural gas production is expected to increase over the next several quarters.

PRICES

	Nine months ended December 31		
	2021	2020	% Change
Average Benchmark Prices:			
WTI crude oil (US$/BBL)	70.47	40.03	76
US$/CDN$ exchange rate	0.80	0.76	5
Bow River crude oil (CDN$/BBL)	72.69	40.04	82
AECO daily spot (CDN$/MMBTU)	3.56	2.56	39
Average Realized Prices:			
Light and medium oil ($/BBL)	72.48	39.19	85
Natural gas ($/MCF)	4.38	2.17	102
Average price ($/BOE)	69.74	34.27	104

WTI crude traded up 76% from an average price of $40.03 (US$/BBL) during 2020 to an average price of $70.47 ($US/BBL) in 2021. Bow River crude traded up 82% from an average price of $40.04 ($CDN/BBL) in 2020 to an average price of $72.69 ($CDN/BBL) during 2021. The average daily spot price for AECO natural gas increased 39% from $2.56/MCF in 2020 to an average price of $3.56/MCF in 2021.

REVENUE

	Three months ended December 31			Nine months ended December 31		
($)	2021	2020	% Change	2021	2020	% Change
Oil & NGL Sales	334,696	207,150	62	1,051,885	561,260	87
Natural Gas Sales	22,969	5,277	335	22,969	38,662	(41)
Oil & Natural Gas Sales	357,665	212,427	68	1,074,854	599,922	79

An 85% increase in the realized price for crude oil from $39.19 per BBL during the month ended December 31, 2020 to $72.48 per BBL for the same quarter of 2021 resulted in an 87% increase in oil and NGL sales. The realized price for an MCF of natural gas was $2.17 in 2020. The realized price for an MCF of natural gas for the same period in 2021 was $4.38.

ROYALTIES

	Three months ended December 31			Nine months ended December 31		
($)	2021	2020	% Change	2021	2020	% Change
Crown Royalties	9,699	1,487	552	9,699	6,423	51
Freehold Royalties	29,765	26,493	12	112,167	60,517	85
Royalty Expense	39,464	27,980	41	121,866	66,940	82
Royalty Expense as a % of Sales	11%	13%		11%	11%	
Royalty Expense per BOE	8	6		8	4	

There was 82% increase in total royalty expense from $66,940 in the nine months ended December 31, 2020 to $121,866 for the same period in 2021. Royalties as a percentage of revenues remain low at approximately 11% in 2021.

OPERATING EXPENSE

	Three months ended December 31			Nine months ended December 31		
($)	2021	2020	% Change	2021	2020	% Change
Operating costs	297,886	381,776	(22)	585,080	687,030	(15)
Operating costs as a % of Sales	83%	180%		54%	115%	
Operating costs per BOE	58	76		38	39	

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 nine-months ended December 31, 2021, the Company expended $106,474 on well workovers (2020 - $200,800) on its core property. The increase in revenue from prior year caused the percentage of operating expenses to revenues to move from 39% to 38% during the current period.

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A")

	Three months ended December 31			Nine months ended December 31		
($)	2021	2020	% Change	2021	2020	% Change
Gross G&A	103,145	94,029	10	316,555	296,934	7
Capitalized G&A	-	-	-	-	-	-
Net G&A expense	103,145	94,029	10	316,555	296,934	7
Net G&A expense per BOE	20	19		21	17	

Overhead cost increases resulted in a 7% increase in G&A expenses from 2020 to 2021. The Company does not capitalize any G&A expenses.

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 December 31 2021	2020	% Change	Nine months ended December 31 2021	2020	% Change
Oil and Natural Gas Sales	69.59	42.09	65	69.74	34.27	104
Royalties	(7.68)	(5.54)	39	(7.91)	(3.82)	107
Operating costs	(57.96)	(75.65)	(23)	(37.96)	(39.25)	(3)
Operating Netback	3.95	(39.10)	(110)	23.87	(8.80)	(371)

Operating netbacks per BOE were up from ($8.80)/BOE in 2020 to a $23.87/BOE in 2021 due to a combination of increased commodities prices, reduced well workovers and lower field-related maintenance costs.

DEPLETION, DEPRECIATION AND ACCRETION

($)	Three months ended December 31 2021	2020	% Change	Nine months ended December 31 2021	2020	% Change
Depletion	67,660	57,500		234,460	180,242	
Depreciation	-	407		-	814	
Accretion	7,750	5,100		23,250	10,200	
DD&A	75,410	63,007	20	257,710	191,256	35
DD&A per BOE	15	13		17	11	

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 December 31, 2021, 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 nine-months ended December 31, 2021.

FUNDS FROM OPERATIONS

	Three months ended December 31		Nine months ended December 31	
($ except per share amount)	2021	2020	2021	2020
Cash flow from (used in) operating activities	(101,631)	(75,978)	(160,634)	(79,830)
Changes in non-cash working capital	19,208	(215,380)	213,208	(371,152)
Funds from operations	(82,423)	(291,358)	52,574	(450,982)
Per share - basic / diluted	(0.00)	(0.01)	0.00	(0.01)

CAPITAL EXPENDITURES

	Three months ended December 31			Nine months ended December 31		
	2020	2019	% Change	2020	2019	% Change
Acquisition of oil and gas assets	-	-		-	-	
Expenditures on E&E assets	-	-		-	-	
Total capital expenditures	-	-		-	-	

The Company did not incur any capital expenditures during the first nine- months of 2021 or 2020.

DECOMMISSIONING LIABILITIES

($)	December 31 2021	March 31 2021
Balance, beginning of the period	1,814,645	1,987,240
Accretion	23,250	20,400
Change in estimates	-	(192,995)
Balance, end of period	1,837,895	1,814,645
Less: current portion	(132,004)	(132,004)
Long-term portion	1,705,891	1,682,641

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, 2021 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	**36,347,958**
Stock Options	**2,750,000**
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 December 31, 2021, the Company's working capital deficiency was $1,772,874 (March 31, 2021 - $1,946,865).

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 third 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 December 31, 2021, the Company has convertible loans owing to unrelated parties in the amount of $695,510 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 December 31, 2021.

	2022			2021				2020
Quarters ended	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
OPERATING								
Average daily production								
Oil & NGL (BBL/D)	46	54	59	44	51	63	45	64
Natural gas ((MCF/D)	57	-	-	8	22	106	68	106
Total BOE (BOE/D)	56	54	59	45	55	81	56	82
Average sales price								
Oil ($/BBL)	79.13	72.22	67.57	57.98	44.25	43.31	27.69	35.92
Natural gas ($/MCF)	4.38	-	-	2.00	2.56	2.24	1.91	2.03
Total ($/BOE)	69.59	72.22	67.57	57.31	42.09	36.01	24.16	30.38
Operating netback ($/BOE)								
Oil & gas sales	69.59	72.22	67.57	57.31	42.09	36.01	24.16	30.38
Royalty expense	7.68	8.62	7.46	6.03	5.54	4.01	1.88	2.37
Operating expense	57.96	30.99	25.13	78.63	75.65	21.85	28.27	32.63
Netback	3.95	32.61	34.98	(27.35)	(39.10)	10.15	(5.99)	(4.62)
FINANCIAL								
Oil & gas sales	357,665	358,123	359,066	233,776	212,427	263,041	124,454	223,360
Funds from operations	(82,423)	38,052	96,945	(193,025)	(291,358)	(44,561)	(72,741)	(246,489)
Per share - Basic/Diluted	(0.00)	0.00	0.00	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)
Cash flow from (used in)	(101,631)	16,115	(73,693)	(180,477)	(75,978)	38,470	(42,659)	(122,395)
Per share – Basic/Diluted	(0.00)	0.00	(0.00)	(0.01)	(0.00)	0.00	(0.00)	(0.00)
Net Income (loss)	(236,721)	(53,642)	3,158	432,809	(354,702)	(115,718)	(172,833)	(2,481,162)
Per share – Basic/Duluted	(0.01)	(0.00)	0.00	0.01	(0.01)	(0.00)	(0.01)	(0.08)
Capital expenditures	-	-	-	-	-	-	-	-
Total Assets	5,057,659	5,120,521	5,191,481	5,328,549	4,157,079	4,326,618	4,400,872	4,403,059
Working capital (deficiency)	1,772,874	(1,788,360)	(1,825,257)	(1,946,865)	(1,980,542)	(1,688,847)	(1,643,945)	(1,528,545)
Shareholders' Equity	1,070,290	1,130,214	1,182,167	1,154,009	(95,303)	259,399	375,117	547,950
Shares Outstanding	36,347,958	35,359,658	35,359,658	35,359,658	31,359,658	31,359,658	31,359,658	31,359,658

The most important trend over the last eight quarters has been the increase in the price of oil from a high of $79.13BBL on Q3 of 2022 to a low of $27.69/BBL in Q1 of 2021. The price of natural gas from a low of $0.95/MCF in Q2 2020, increased to $4.38/MCF in Q3 2022. Netbacks per BOE were up to $34.98 in Q1 of 2022 from -$4.62 in Q4 of 2020 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 including share-based payments and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, the 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) of those quantities to 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 of those quantities to 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 decreased to $1,837,895 as at December 31, 2021 from $1,814,645 as at March 31, 2020.

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 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, 2021 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 $1,393,964 in accounts payables and payable to trade and un-related parties at December 31, 2021 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.

IMPACT OF COVID-19

In March 2020, the World Health Organization declared a world-wide pandemic resulting from the coronavirus (COVID-19) outbreak. As the disease rapidly spread across the globe, many countries have required companies to limit or suspend business operations, implemented travel restrictions and ordered individuals to stay at home. These measures have materially impacted the demand for the Company's oil and gas products. The current lack of global demand combined with over-supply of oil has resulted in a significant decrease in spot and forward oil prices.

The Company makes significant estimates related to reserves that could be materially impacted by a sustained decrease in prices of our products. To estimate the economically recoverable crude oil reserves and related future net cash flows, management incorporates many factors and assumptions including the expected reserve characteristics, future commodity prices and costs and assumed effects of regulation by governmental agencies. Reserves are used to calculate the depletion of the capitalized petroleum properties and for impairment purposes. If lower commodity prices continued for a sustained period, our expectations of future commodity prices could lower the value of our reserves and result in material impairments of our long-term assets.

The COVID-19 pandemic is rapidly evolving and its ultimate impact on our business is uncertain. At this point, management cannot reasonably estimate the duration, complexity, or severity of this pandemic, which could have a material adverse impact on the Company's business, results of operations, financial position and cash flows.

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.

On February 15, 2022 the Company announced the arrangement of a financing of up to $1 Million, consisting of a combination of common shares in the capital of the Company at a subscription price of $0.10 per common share in conjunction with the issuance of debt. The Company expects to raise an equal proportion of the debt and equity, (50% debt & 50% equity), however, the Company may alter such proportion at its discretion subject to the demand of the Offering and current market conditions.

Proceeds from the Offering will be used primarily for the drilling of a new development well located in the Company's core area at Provost, Alberta, and general working capital purposes. The Company will also be reviewing production optimization schemes including pipeline enhancements and overall field operational efficiencies at the Company's wholly owned facilities in anticipation of an increase in production from the results of both existing well repairs and in the event of the successful drilling and completion of the new well.

The common shares issued under the Offering will be subject to a four-month plus one day hold period from the date of closing. Closing of the Offering and the terms of the Offering, including the commercial terms of any debt that is issued, are subject to the acceptance and approval of the TSX Venture Exchange.