WESCAN ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated July 28, 2015 should be read in conjunction with the Company's audited consolidated financial statements at March 31, 2015 and 2014 the Company's Form 51-101F1 dated July 28, 2015 and the reference to forward-looking statements within this report. These documents are available at www.sedar.com.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The financial statements for the years ended March 31, 2015 and 2014 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, but 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.

The fiscal years ended March 31, 2015, 2014, and 2013 are referred to as "FY-2015", "FY-2014" and "FY-2013", respectively. The three month periods ended March 31, 2015 and 2014 are referred to as "Q4-2015" and "Q4-2014", respectively. The period from April 1, 2014 and up to July 28, 2015 is referred to herein as "YTD-2015".

All figures are in Canadian Dollars (CDN) unless noted to the contrary.

FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as “expects”, “intends”, “may”, “could”, “should”, “anticipates”, “likely”, “believes” and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company’s ability to raise additional debt and/or equity financing to fund operations and working capital requirements and the Company’s oil and gas reserves. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of oil and gas properties, oil and gas industry conditions, the Company’s ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company. Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company on www.sedar.com.

CORPORATE OVERVIEW

WesCan Energy Corp. is a development stage junior oil and gas company trading on the TSX Venture Exchange under the symbol “WCE”. WesCan Energy Corp. commenced operations as an oil and gas exploration and development company in fiscal 2007. Effective October 4, 2012 the Company name was changed from Great Pacific International Inc. to WesCan Energy Corp. along with a corresponding consolidation of shares on a 20:1 basis.

WesCan and its wholly owned subsidiaries, GPI Oil & Gas Inc., GPI Petroleum Inc. and GPI Oil and Gas Overseas Inc., are referred to herein collectively as “the Company”, “WesCan”, “our” or “we”.

WesCan’s oil and gas operations are primarily located in Alberta, Canada and a 3.67% working interest in a gas well in Arkansas, USA.

FUTURE PLANS

All development and exploration projects are subject to obtaining necessary equity financings required for the future growth and sustainability of the Company.

CURRENT OIL AND GAS PROPERTIES

WesCan’s capital assets consist primarily of various oil and gas working interest in Alberta, Canada and USA.

WesCan holds the following oil and gas property as at March 31, 2015:

	Gross area		Net area		Well interest (net)	
	Hectares	Acres	Hectares	Acres	Production	Suspensed
Canada						
Developed properties	64	158	23	57	1.08	0.36
Alberta Crown leases (undeveloped)	288	712	32	78	-	-
U.S.A.						
Arkansas gas well	1,280	3,200	20	49	-	-
	1,632	4,070	75	184	1.08	0.36

At March 31, 2015 the Company held 870 gross acres (135 net acres) of undeveloped P&NG leases in Alberta Canada. These lands were acquired for cash through Alberta Crown Petroleum and Natural Gas land sales and third-party industry agreements in 2007 thru 2011.

Canadian Oil and Gas Properties

Developed Land, Alberta

The Company obtained its initial Alberta oil and gas assets by way of a block acquisition from an arms-length private corporation.

In February, 2012, the Company was notified that its operator and joint venture partner on its two producing wells, received an order by the Energy Resources & Conservation Board (ERCB) to cease production on the wells pending Liability Management Rating (LMR) requirements. Subsequently, Ernst & Young Inc. was appointed Receiver of the Operator pursuant to an Order of the Court of Queen's Bench of Alberta dated May 11, 2012. As a result, a new Operator was appointed, bringing one well back on production that continues to produce during the period.

Undeveloped Land, Alberta

At March 31, 2015 the Company holds certain petroleum and natural gas ("P&NG") leases from the Crown throughout Alberta. The undeveloped, non-producing leases are exploration lands and have no reserves assigned to them.

During the year ended March 31, 2015, there was a change in estimate that resulted in a $47,716 decrease (2014 - $14,799) to decommissioning liabilities, of which $3,861 (2014 - $14,799) was recorded to reduce the cost of oil and gas properties and $43,855 (2014 - $nil) was recorded as a gain on the statement of comprehensive loss.

USA Oil and Gas Properties

The company has natural gas production from a well in Arkansas, Logan County, USA in which it has 3.67% working interest. The Company receives approximately US$380 per month of net revenue from this well.

SELECTED INFORMATION

	FY -2015	FY - 2014	FY - 2013
FINANCIAL ($)			
Petroleum and natural gas revenue	45,221	36,212	52,935
Funds used in operations	(393,885)	(366,484)	(413,991)
Comprehensive loss	(428,644)	(418,035)	(730,128)
Net loss per share - basic and diluted	(0.02)	(0.04)	(0.24)
Working capital deficit	(672,133)	(740,859)	(869,677)
Production (boe/d)	3	2	3

OVERALL PERFORMANCE

Overall revenue increased $9,009 from 2014 due to production increases in one well while the second well was shut-in for the year. The overall BOE (Barrels of Oil Equivalent) production increased by 1 boe/d from 2014 as a result of the producing well being brought back on production for the current year.

Net loss increased by $10,609 in FY-2015 compared to FY-2014. The increase in net loss was mainly due to the gain on debt settlement that was recognized in the statement of comprehensive (loss) income for the year ended March 31, 2015 was $nil, (2014 - $42,974).

The Company did not acquire any new land leases in FY-2015.

OPERATING RESULTS

Benchmark Prices

	Year Ended March 31	
	2015	**2014**
Crude oil – WTI (US$ per Bbl)	$82.72	$98.46
Crude oil – Canadian Light Sweet Price ($ per Bbl)	$84.38	$95.45
Natural gas – AECO Daily Spot ($/mmbtu)	$3.86	$3.79
Exchange rate ($US/$Cdn)	0.89	0.95

West Texas Intermediate at Cushing, Oklahoma ("WTI") is the benchmark reference price for North American crude oil prices. Canadian crude oil prices are based upon the average of several postings, primarily at Edmonton Alberta, and represents the WTI price adjusted for quality and transportation differentials, the US/CDN dollars exchange rate and local demand and supply influences. Crude oil prices averaged $84.38 per barrel and $95.45 for Canadian Light Sweet (Edmonton Par) at year-end, 2015 and 2014 respectively as tight supply/demand fundamentals and global political instability continued to keep global oil prices volatile.

The Company continues to realize a lower natural gas price as compared to the AECO benchmark prices, reflecting the lower heat content of WesCan's natural gas stream coming from the Company's Arkansas property.

United States natural gas prices are commonly referenced to the New York Mercantile Exchange at Henry Hub in Louisiana ("NYMEX") while Canadian natural gas prices are typically referenced to the AECO Hub in Alberta. Natural gas prices are influenced more by North American supply and demand than by global fundamentals. Natural gas prices averaged $3.86 per mmbtu at AECO for the year-ended 2015 compared to $3.79 for the year-ended 2014 with natural gas prices remaining volatile due to fluctuating supply and demand forecasts and unstable weather patterns.

The increased in the price of natural gas that the industry has experienced over the past few years has been driven by supply and demand fundamentals in both Canada and the United States. Comparing the 2014 year, the price for natural gas increased 2%.

Production

	FY -2015	FY - 2014	Percent Change %
Averaage Daily Volumes			
Crude oil (bbl/d)	2	1	50.0
Natural gas (mcf/d)	4	3	33.3
Barrel of oil equivalent production (boe/d)	2	2	44.4

For the year-ended March 31, 2015, average oil sales increased to 2 boe/d from 1 boe/d for the year-ended March 31, 2014. The 50% increase was due to the well being brought back into production. Average gas sales for the year-ended March 31, 2015 increased to 4 mcf/d from 3 mcf/d for the year-ended March 31, 2014.

Realized Prices

Average Sales Prices	FY - 2015	FY - 2014	Percent Change %
Crude oil price ($/bbl)	$ 45.62	$ 85.01	(46.3)
Natural gas price ($/mcf)	$ 3.56	$ 3.38	5.3
Barrel of oil equivalent ($/boe)	$ 33.49	$ 52.65	(36.4)

The oil prices decreased an average of 46.3% in 2015 to $45.62/bbl compared to $85.01/bbl in 2014. The price of oil decreased significantly during the second half of 2014 which resulted in a significant decrease in realized prices. During 2014, the average natural gas price increased 5.3% to $3.56/mcf as compared to $3.38/mcf in 2014.

Revenue

	FY-2015 $	FY-2014 $	Percent Change %
Production Revenue			
Canada			
Crude oil	40,665	32,103	27
USA			
Natural gas	4,556	4,109	11
Total production revenue	45,221	36,212	25

Petroleum and natural gas revenue increased 25% to $45,221 for the year-ended March 31, 2015 from revenue of $36,212 for the year-ended March 31, 2014. The increase is due to an increase in production volume.

The Company currently has no financial derivatives or physical delivery contracts in place. All production volumes are currently sold into the Alberta spot market.

Royalties

	FY-2015 $	FY-2014 $	Percent Change %
Royalties	1,876	2,199	(15)
On a per boe basis	2	6	(65)

For the year-ended March 31, 2015, royalty expenses were $1,876 as compared with $2,199 or 15% less than the year-ended March 31, 2014.

Operating expenses

	FY-2015	FY-2014	Percent Change
	$	**$**	**%**
Production Revenue			
Canada			
Field operating costs	30,768	26,300	17
USA			
Field operating costs	841	804	5
Total operating expenses	31,609	27,104	17
Operating expenses per boe	29	47	(39)

For the year-ended March 31, 2015, operating expenses increased by 17% or $29.00 per boe as compared to $27,104 or $47.00 per boe for the year-ended March 31, 2014.

Netbacks

	FY - 2015	FY - 2014
Realized oil price ($/bbl)	$ 45.62	$ 85.01
Operating cost ($/bbl)	(27.62)	(69.64)
Royalties ($/bbl)	(2.11)	(5.82)
Netback	$ 15.89	$ 9.55
Realized gas price ($/mcf)	$ 3.56	$ 3.38
Operating cost ($/mcf)	(0.66)	(0.66)
Royalties ($/mcf)	-	-
Netback	$ 2.90	$ 2.72

For the year-ended March 31, 2015, crude oil netbacks were $15.89 per boe as compared with $9.55 per boe for the year-ended March 31, 2014. Natural gas netbacks were $2.90 per boe as compared with $2.72 per boe for the year-ended March 31, 2014.

GENERAL AND ADMINISTRATIVE EXPENSES

	FY-2015	FY-2014	Percent Change
	$	**$**	**%**
General and administrative	411,316	374,387	10

For the year-ended March 31, 2015, total G&A expenses were $411,316 as compared to $374,387 for the year-ended March 31, 2014 representing, a 10% increase. The increase was due primary as a result of the Company not capitalizing and management fees during the year-ended March 31, 2015 as the CEO did not spend any time on exploration and evaluation assets in the current year..

The Company capitalized G&A expenses of $nil during the year-ended March 31, 2015.

SHARE BASED COMPENSATION

Share-based payment expense recognized during the year-ended March 31, 2015 was $nil (2014 – $75,162)

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 by 27% from $169,474 as at March 31, 2014 to $123,478 as at March 31, 2015. The decrease was due to a change in estimates.

DEPLETION 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-2015	FY-2014	Percent Change
	$	$	%
Depletion and accretion	2,978	3,308	(10)

During the year-ended March 31, 2015, depletion and accretion were decreased to $2,978 or 10% compared to $3,308 for the year-ended March 31, 2014.

EIGHT QUARTER REVIEW

	Mar.31 2015.	Dec. 31 2014	Sept. 30 2014	Jun. 30 2014
	$	$	$	$
Revenue, net of royalties	6,991	12,794	12,313	11,247
Net loss for the quarter	230,683	66,804	66,780	64,377
Net loss per share	$0.01	$0.00	$0.00	$0.00
Total assets, end of period	152,794	399,372	446,741	520,005
Deficit, end of year	15,169,029	14,940,698	14,873,894	14,804,763

	Mar.31 2014	Dec. 31 2013	Sept. 30 2013	Jun. 30 2013
	$	$	$	$
Revenue, net of royalties	17,371	15,091	749	802
Net loss for the quarter	126,368	131,192	92,003	68,472
Net loss per share	$0.01	$0.01	$0.01	$0.01
Total assets, end of period	175,439	384,808	511,341	408,282
Deficit, end of year	14,740,385	14,617,862	14,486,671	14,394,665

The trends inherent in this data reflect the economic and operational factors that affected the annual trends over the same years. For discussion of the annual results, refer to the Company's FY-2014 MD&A as filed on www.Sedar.com.

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

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

- In Q3-2015 and Q3-2014, the Company had an increase in sales from one of its wells that resumed production at Peerless Lake.

- In Q2-2015 the Company had an increase in sales from one of its wells that resumed production compared to Q2-2014 the Company receive nil production for the oil well at Peerless Lake, Alberta.

- In Q1-2015 the Company had an increase in sales from one of its wells that resumed production compared to Q1-2014 the Company received nil production for the oil well at Peerless Lake, Alberta.

- Those additional factors discussed in the sections, "Results of Operations", for the years ended March 31, 2015 and 2014.

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.

In Q1, 2015, the Company completed a non-brokered private placement, issuing 8,333,333 common shares at $0.06 per share for gross proceeds of $500,000. Each Unit is comprised of one common share and one half of one share purchase warrant of the Company, of which each whole warrant is exercisable into one common share over twenty-four months at $0.10 per share.

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, 2015, the Company's working capital deficiency was approximately $672,000 (2014 - $740,000).

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, 2015, the Company has short-term loans owing to unrelated parties in the amount of $248,333 (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, 2015 and 2014.

CONTRACTUAL OBLIGATIONS

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

1. The Company is required to pay its proportionate share of asset retirement costs. The present value of WesCan's share of these costs is estimated at approximately $123,478. This is a non-financial commitment, and our obligation is performance-based (i.e. we must reclaim and remediate well sites to the satisfaction of regulatory, statutory and contractual standards).

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 payments for P&NG property rights. While these lease payments are individually immaterial, failure by the Company (or the Operator, in the case of non-operated property interests) to pay these fees in a timely manner would result in a loss of property rights.

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:

Payable to related parties

	March 31, 2015	**March 31, 2014**
Related party payable for services	31,526	45,693

Payable to former related parties

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, unsecured and due on demand, unless otherwise noted.

	March 31, 2015	**March 31, 2014**
Related party payable for services	232,266	232,266
Related party payable for travel	18,939	18,939
Loans from related parties	35,091	33,152
Balance at the end of year	286,296	284,357

Related party transactions and balances entered into during the year-ended March 31, 2015 and 2014 not disclosed elsewhere in these financial statements are as follows:

At March 31, 2015 the Company paid or accrued management fees to former officers and directors in the amount of $nil and to the current president for $13,750 per month for a total of $165,000 (2014: $165,000).

OUTSTANDING SHARE DATA

Common shares

Pursuant to a special resolution passed by shareholders on August 10, 2012 the TSX Venture Exchange approved the Company's application for a 20 old for 1 new, share consolidation. In conjunction with the consolidation the Company changed its name from Great Pacific International Inc. to WesCan Energy Corp. and changed its trading symbol from GPI to WCE.

Effective October 4, 2012, the Company's common shares were consolidated on a 20:1 basis. All current and comparative references to the number of shares, warrants, options, weighted average number of shares and loss per share have been restated to give effect to the 20:1 share consolidation. Effective October 4, 2012, the common shares of WesCan commenced trading on the TSX Venture Exchange on a consolidated basis.

At March 31, 2015 and July 28, 2015 there were 21,753,991 common shares of WesCan issued and outstanding.

Equity reserve

The equity reserve records items are recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Share purchase instruments

On April 23, 2014, the Company completed a non-brokered private placement, issuing 8,333,333 units at $0.06 per unit for total proceeds of $500,000 and incurring share issue costs of $3,250. Each unit consists of one common share and one-half of a share purchase warrant of the Company. Each full warrant is exercisable into one common share at $0.10 per share on or before April 23, 2015.

Outstanding share purchase instruments consist of share purchase warrants and incentive stock options. Details of warrants and incentive stock options outstanding as at March 31, 2015 are as follows:

Warrants

Outstanding share purchase instruments consist of share purchase warrants and incentive stock options. Details of outstanding share purchase warrants and incentive stock options as at March 31, 2015 and March 31, 2014 are as follows:

Share Purchase Warrants and Stock Options outstanding are as follows:

a) Share purchase warrants

	March 31, 2015		March 31, 2014	
	Number of warrants	Weighted Average Exercise Price per warrant $	Number of warrants	Weighted Average Exercise Price per warrant $
Balance, beginning of year	4,151,301	0.10	-	-
Addition	4,166,667	0.10	4,151,301	0.10
Balance, outstanding and exercisable, end of year	**8,317,968**	**0.10**	**4,151,301**	**0.10**

These warrants were issued pursuant to a private placement of 8,333,333 units and include 4,166,667 warrants granted during the year-ended March 31, 2015. Each unit consisted of one common share and one-half share purchase warrant. As of July 28, 2015, 4,166,667 warrants were outstanding and exercisable.

b) Stock based payments

The changes in stock options during the year-ended March 31, 2015 and 2014 are as follows:

	March 31, 2015		March 31, 2014	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance, beginning of year	1,307,500	0.07	7,500	2.33
Granted	-	-	1,300,000	0.06
Balance, end of year	**1,307,500**	**0.07**	**1,307,500**	**0.07**

Stock Options outstanding at July 28, 2015, March 31, 2015 and 2014 are as follows:

Exercise Price		Date of Grant	Expiry Date	Outstanding	Exercisable	Weighted average remaining life
$	0.06	October 24, 2013	October 24, 2018	1,300,000	1,300,000	3.57
$	3.00	January 28, 2011	January 28, 2016	2,500	2,500	0.83
$	2.00	December 30, 2010	December 1, 2015	5,000	5,000	0.67
$	**0.07**			**1,307,500**	**1,307,500**	**3.56**

SUBSEQUENT EVENTS

a) 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 on May 15, 2015 and May 25, 2015 respectively and the acquisition was completed on May 25, 2015. Pursuant to the terms of the Agreement, the Company also assumed all decommissioning liabilities associated with the petroleum and natural gas rights purchased. The acquisition was financed through a combination of existing cash and a series of short-term promissory notes issued subsequent to March 31, 2015 (see Note 17(b)).

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

In management’s judgment, the assets acquired meet the definition of a business under IFRS 3, *Business Combinations*. As at July 28, 2015, the initial accounting for the business combination is incomplete and therefore no further disclosures have been made in these consolidated financial statements as it was determined to be impracticable. In particular, the determination of the fair market value of the assets acquired and liabilities assumed, including the fair value of decommissioning provisions, is not yet complete.

b) 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, bear interest at 7% per annum and are due on July 21, 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 July 28, 2015, the Notes have not yet been repaid or converted into common shares of the Company.

c) On July 23, 2015, a total of 4,151,301 share purchase warrants expired unexercised. Refer to Note 11(d).

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.

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, 2015 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, 2015 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 $194,000 in payables to trade and other payables to unrelated parties overdue at March 31, 2015 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.

INTERNAL CONTROLS OVER FINANICAL REPORTING

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed by the Corporation is recorded, processed, summarized and reported within the time years specified under the Canadian securities law.

WesCan's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, that the disclosure controls and procedures as of March 31, 2015, are effective and provide reasonable assurance that material information related to the Corporation is made known to them by others within WesCan. WesCan's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal controls over financial reporting ("ICFR"). They have, as at the year-ended March 31, 2015, designed ICFR or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

WesCan's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the internal controls over financial reporting that occurred during our most recent year that has materially affected, or is reasonably likely to affect, the Corporation's internal controls over financial reporting. No material changes in the internal controls were identified during the year-ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

It should be noted that a control system, including WesCan's disclosure and internal controls and procedures, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

CORPORATE GOVERNANCE

Management believes that quality corporate governance is essential to ensuring effective management of our Company. The Company's corporate governance policy is substantially aligned with the guidelines set out in the report of The Toronto Stock Exchange Committee on Corporate Governance in Canada.

Oil and Gas Production Estimates

Oil and gas reserves and expected production information disclosed herein reflect the reserves attributed to particular properties as disclosed in our Form 51-101 report. This document is to be read in conjunction with that report, as at July 16, 2015 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.

Quantities and Conversions: In this MD&A, the following acronyms are used:

ac	Acres	P&NG	Petroleum and Natural Gas
bbls	Barrels of oil	/d	Per day
boe	Barrels of oil equivalent	Ha	Hectare

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.