WELLSTAR ENERGY CORP.
Management's Discussion and Analysis
("MD&A")
For the period ended October 31, 2015

The following discussion and analysis of the operations, results, and financial position of the Company for the period ended October 31, 2015 should be read in conjunction with the condensed consolidated interim financial statements of Wellstar Energy Corp. ("the Company") for the period ended October 31, 2015 and the audited financial statements for the year ended January 31, 2015 and the related Notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All amounts are expressed in Canadian dollars unless otherwise noted. This MD&A has been prepared as of December 29, 2015.

Additional Information is available on SEDAR at www.sedar.com.

OVERVIEW

WellStar Energy Corp. (the "Company") was incorporated under the laws of the Province of British Columbia on August 26, 1985. The common shares are publicly traded on the TSX Venture Exchange under the symbol WSE. The Company is in the business of acquisition, exploration and development of oil and gas properties.

The Company's principal business activity has changed from exploration and development of mineral properties to oil and gas properties.

North Dakota and Montana Oil and Gas Interests

During the year ended January 31, 2014, the Company purchased 240 net acres in Billings County, which equates to an 18.75% working interest, in one drill spacing unit from the North Dakota Department of Trust Lands for $137,146 (US$126,068) and another 924 net acres within a 22,400 gross acre contiguous land package in Sheridan County Montana from Vaalco Energy (USA), Inc. for $14,281 (US$13,120).

The Company is waiting for an economic turnaround before these lands can be explored further, the decrease in the price of oil over the past twelve months as made it difficult for Companies in the oil and gas industry. The Company anticipates that funds from future private placements could be used to expand these properties.

Acquisition of Nexxtep Resources Ltd.

In February 2015, the Company completed the acquisition of Nexxtep Resources Ltd. ("Nexxtep") from an arm's length vendor. Nexxtep will operate as a wholly owned subsidiary of the Company.

The assets of Nexxtep primarily consist of operated working interests producing approximately 62 net barrels of oil equivalent per day from approximately 6,000 net acres in Saskatchewan and Alberta. This includes 3,500 net acres in Saskatchewan prospective for the Bakken formation, with current production from 3 wells in the Red River and Winnipeg Sand formations. The Assets also include facilities consisting of a salt water disposal well, 5 x 1,000 barrel oil storage tanks and a fresh water source well.

The Company acquired Nexxtep in consideration for aggregate cash payments of $1,600,000 (subject to adjustment in certain circumstances), including $200,000 which was paid at closing, and the issuance by the Company of 4,000,000 warrants (the "Acquisition Warrants"). The balance of the cash payment, being $1,400,000 (the "Deferred Payment"), is payable by monthly installments of $10,000 plus applicable interest (starting at 2% and increasing by 2% per annum) beginning on March 1, 2015. In addition, the Company is obligated to pay 20% of the gross proceeds of any future securities offering to the vendors until the Deferred Payment has been fully satisfied. Each Acquisition Warrant will entitle the vendor to purchase one common share at an exercise price of $0.05 until February 17, 2019. Pursuant to applicable securities laws, the Acquisition Warrants and underlying securities are subject to a hold period which expires June 18, 2015.

The Company plans to use proceeds from future financings to increase the production of these assets.

Alberta and Saskatchewan Oil and Gas Interests

On September 29, 2015, Wellstar announced that after 4 days of testing, it has achieved production results of approximately 60 barrels of oil per day of light sweet crude from the Winnipeg Sand recompletion program at its McTaggart property in southeastern Saskatchewan.

WellStar proceeded with the recompletion of the Winnipeg Sand formation by fracture stimulating a portion of the original formation which was completed in the spring of 2000. The well originally produced over 70 Mstb until it was suspended in mid-2006, in order to recomplete the wellbore in the up hole Red River formation. The Company is operator and owns a 100% WI (BPO) in this well.

Subsequent events to October 31, 2015

Subsequent to October 31, 2015, the Company entered into the following transactions:

a. issued a new promissory note (the “Note”) in respect of a loan (the “Loan”) made to the Company by Andrew H. Rees (the “Lender”), in the principal amount of $203,000 having a maturity date of two years from the date of issuance and bearing interest at a rate of 11% per annum payable on demand but before such maturity date. In consideration of establishing the Loan, the Company will pay the Lender a bonus of 3,690,909 common share purchase warrants (the “Warrants”), with each whole Warrant exercisable to purchase one common share of the Company for a period of two years from the date of issuance, at a price of $0.10. The Loan, and the terms of the Note were approved by the board of directors of the Company, other than Mr. Rees, declared his interest as the Lender and has abstained from voting with respect to the Loan and the Note. The board of directors believe that the Loan is in the best interests of the Company;

b. completed its asset acquisition to acquire a partner's (the "Vendor") interest in the Company's McTaggart, Saskatchewan oil project, plus additional lands and 2D seismic data. A right of first refusal was enacted by a third party causing the acquired interest to drop to 32.82% from the previously announced 39.29%. Before adjustments, the purchase price for the acquisition reflecting the new acquired interest was $75,998;

c. issued two unsecured promissory notes (the “Notes”) in respect of a loan (the “Loan”) made to the Company by two arm's-length parties (the “Lenders”), pursuant to which the Lenders have agreed to lend the Company $100,000 (the “Principal Sum”). The Principal Sum under the Notes will be paid in ten equal payments of $11,000 to the Lenders on the first day of each month (the “Due Date”) commencing January 1, 2016 until October 1, 2016. In consideration of establishing the Loan, the Company will pay the Lenders a bonus of 500,000 common share purchase warrants (the “Warrants”), with each Warrant exercisable to purchase one common share of the Company for a period of one year from the date of issuance, at a price of $0.10. The Loan and the granting of Warrants to the Lender will be subject to the approval of the TSX Venture Exchange (the “TSXV”). The Warrants, are subject to a hold period expiring four months from the date of issuance pursuant to the policies of the TSXV; and

d. announced its intention to commence a normal course issuer bid (“NCIB”) for up to 1,181,888 common shares of the Company (the “Shares”), representing up to 5% of the common shares issued and outstanding as at October 20, 2015. Purchases will be by way of open market purchases through the facilities of the TSX Venture Exchange (the "Exchange") and the Company will pay the market price of the Shares at the time of acquisition. The Company will conduct the NCIB through Fin-XO Securities. All Shares purchased by the Company will be subsequently cancelled. The Company has not previously purchased any of its issued and outstanding Shares. The Company has received approval from the Exchange to commence its NCIB on October 30, 2015. The bid will end on October 28, 2016 or earlier if the number of Shares sought in the NCIB has been obtained. The Company reserves the right to terminate the bid earlier if it determines such action to be appropriate. Although WellStar intends to purchase Shares under its NCIB, there can be no assurance that any such purchases will be completed. The Company has initiated this NCIB as it believes that its Shares have been trading in a price range that does not adequately reflect the underlying value of such Shares in relation to the business of WellStar and its future business prospects and that the repurchase of its Shares at current market prices is an appropriate use of working capital funds. The Company believes that, at certain times, the market price for the Shares may not reflect the underlying value of its business and its future prospects. The objective of the normal course issuer bid is to provide market stability for the benefit of the Company's shareholders.

The continuous disclosure materials of the Company, including its annual MD&A and audited financial statements, Information Circular and Proxy Statement, material change reports and press releases issued by the Company are available through the SEDAR system at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A includes forward-looking statements. All statements other than statements of historical facts contained in this MD&A, including statements regarding the future financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. The words "believe", "may", "will", "estimate", "continue", "anticipate," "intend", "should", "plan", "expect" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. The Company has based these forward-looking statements on the current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions as described elsewhere in this MD&A.

Other sections of this MD&A may include additional factors that could adversely affect the business and financial performance. Moreover, the Company operates in a very competitive and rapidly changing business environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Readers should not rely upon forward-looking statements as predictions of future events or performance. The Company cannot provide assurance that the events and circumstances reflected in the forward-looking statements will be achieved or will occur. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments other than as required by securities legislation.

RISK FACTORS RELATING TO OIL AND GAS INDUSTRY

There are many risk factors facing companies involved in the oil and gas industry. Risk Management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Company.

Volatility of Prices of Oil and Gas

The demand for, and price of, oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. Geographic location and a lack of infrastructure may also result in any oil and gas produced being sold at a discount to world market prices for oil and gas. International oil prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future.

A material decline in the price of oil and gas may have a material adverse effect on the Company’s business, financial condition, ability to pay dividends and results of operations. The performance of an oil and gas exploration and production company’s share price may, but will not necessarily, exhibit a correlation with the price of oil and gas.

Environmental

As the Company will be involved in oil and gas exploration, it is subject to extensive environmental and safety legislation and this legislation may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from oil and gas activities which may be costly to remedy. The extent of potential liability, if any, for the costs of abatement of environmental hazards cannot be accurately determined and, consequently, no assurances can be given that the costs of implementing environmental measures or meeting any liabilities in the future will not be material to the Company or affect its business or operations.

Title of Assets

Although the Company conducts title reviews in accordance with industry practice prior to any purchase of resource assets, such reviews do not guarantee that an unforeseen defect in the chain on title will not arise and defeat our title to the assets. If such a defect were to occur, our entitlement to the production from such assets could be jeopardized.

Competition

A number of other oil and gas companies operate, and are allowed to bid for exploration and production licenses and other services, in the country in which the Company operates, thereby providing competition to the Company. Larger, foreign-owned companies, in particular, may have access to greater resources than the Company, may be more successful in the recruitment and retention of qualified employees, and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage.

Financing

Historically, the Company has raised funds through equity and debt financing and the exercise of options and warrants to fund its operations. The market price of oil and gas resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development of and production from such properties. This may adversely affect the Company's ability to raise capital to acquire and explore resource properties.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly financial information of the Company for the most recent eight quarters stated in Canadian dollars in accordance with IFRS:

Period Ended	31-Oct 2015	31-Jul 2015	30-Apr 2015	31-Jan 2015	31-Oct 2014	31-Jul 2014	30-Apr 2014	31-Jan 2014
Net Revenue	-	-	-	-	-	-	-	-
Income (loss) before other items	(233,092)	(183,712)	(438,795)	(282,438)	(73,107)	(292,599)	(75,462)	(407,380)
Comprehensive (loss)	(226,240)	(92,100)	(313,086)	(282,438)	(73,107)	(292,599)	(75,462)	(420,538)
Basic gain (loss) per share	(0.01)	(0.01)	(0.02)	(0.02)	(0.00)	(0.03)	(0.00)	(0.040)

Three months ended October 31, 2015 compared with Three months ended October 31, 2014

The Company incurred a total loss of $226,240 for the three months ended October 31, 2015 when compared with a loss of $73,107 for the three months ended October 31, 2014. In the current period, the Company completed the acquisition of Nexxtep and had an increase in activity which has resulted in greater costs. The reduction of loss was a result of the oil and gas as well as other revenue of $6,852 which commenced with the acquisition of Nexxtep. The Company did not earn any revenues during the three months ended October 31, 2014.

LIQUIDITY AND CAPITAL RESOURCES

At this time the Company has no operating revenues. Historically, the Company has funded its operations through equity financing and the exercise of stock options and warrants.

The Company is in the resource exploration and development business and is exposed to a number of risks and uncertainties inherent to the resource sector. This activity is capital intensive at all stages and subject to fluctuations in commodity prices, market sentiment, currencies, inflation, and other risks.

Material increases or decreases in the Company liquidity will be substantially determined by the success or failure of its exploration and development activities, as well as its continued ability to raise capital. Currently, the North Dakota asset acquisition will have significant impact on the Company's future cash flows and operations.

At October 31, 2015 the Company had a cash position of $60,182 and a working capital deficiency of $1,699,676. Subsequent to the period ended October 31, 2015, the Company completed a private placement, see subsequent events section above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

RELATED PARTY TRANSACTIONS

Related party transactions during the period ended October 31, 2015 are as follows:

i) Incurred $109,500 (2014-$58,500) as management fees and $Nil (2014: $4,786) for office services to Andrew Rees, the CEO of the Company.

ii) Incurred $13,500 (2014 - $Nil) as professional fees to a company controlled by Christopher Cherry, the CFO of the Company.

iii) The Company had operated its head office in Vancouver from the premises of Barkerville Gold Mine Ltd., a public company with a common director and officer. Barkerville Gold Mines Ltd. provides office space and accounting, office and administrative services to the Company and various other public companies. During the period ended October 31, 2015, the Company paid $1,311 (2014 - $11,691) as salaries and wages, and $860(2014 - $9,257) as rent expense to Barkerville Gold Mines Ltd.

The amounts included in accounts payable and accrued liabilities of $451,496 (2014 - $472,261) are unsecured, non-interest bearing and due on demand.

SUMMARY OF OUTSTANDING SHARE DATA

Designation of Security	Amount Authorized	As at October 31, 2015	As at December 29, 2015
Common Shares	unlimited	23,637,768	23,637,768
Preferred Shares	unlimited	-	-
Warrants	n/a	16,293,280	20,484,189
Special Warrants	n/a	-	-
Stock Options	10%	1,375,000	1,375,000

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iii) Bifurcation of the convertible debt into its components. The determination of the fair value of the liability and embedded derivative components utilizes subjective assumptions including estimates of market interest rates, expected stock price volatility and expected life. Changes in the input assumptions can significantly impact the fair value estimates.

ADOPTION OF NEW ACCOUNTING STANDARDS

The following standards, amendments and interpretations have been adopted by the Company as of February 1, 2014. There were no material impacts on the financial statements as a result of the adoption of these standards, amendments and interpretations:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosures of Interests in Other Entities
IFRS 13 Fair Value Measurement
IAS 32 Financial Instruments
IAS 36 Impairment of Assets

Recent Accounting Pronouncements

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

- IFRS 9 Financial Instruments

  IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and convertible debentures. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and convertible debentures are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is nominal risk associated with receivables as this is due primarily from a government agency.

b) Interest rate risk

Interest rate risk consists of two components:

(b) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(c) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, other than the convertible debentures, fluctuations in market rates do not have a significant impact on estimated fair values as of October 31, 2015. The convertible debentures bear interest at fixed rates and are subject to fair value risk. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

d) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's audited financial statements for the year ended January 31, 2015 which is available on SEDAR at www.sedar.com.