



(FORMERLY WOLFPACK CAPITAL CORP.)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)

Dated November 29, 2017

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017
(UNAUDITED)



Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Condensed Consolidated Interim Financial Statements

Expressed in Canadian Dollars (Unaudited)

TSX-V: **PUL**

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

The accompanying unaudited condensed interim financial statements of Pulse Oil Corp. (the “Company”) for the period ended September 30, 2017 have been prepared by, and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards of the Auditing and Assurance Standards Board of CPA Canada for a review of the interim financial statements by an entity’s auditors.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Condensed Consolidated Interim Statements of Financial Position

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

	September 30, 2017 \$	December 31, 2016 \$
Assets		
Current assets		
Cash	1,663,608	651,224
Accounts receivable	205,055	15,304
Inventory	4,495	-
Prepays	96,076	-
	1,969,234	666,528
Oil and gas properties (Notes 4 and 5)	4,458,919	938,477
	6,428,153	1,605,005
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	79,504	89,607
Deferred premium on flow-through shares (Note 2)	130,597	-
	210,101	-
Long term liabilities		
Reclamation provision (Note 6)	812,560	125,570
Shareholders' equity		
Share capital (Note 8)	7,476,929	1,973,694
Subscription receipt proceeds (Note 8)	-	425,000
Deficit	(2,071,437)	(1,008,866)
	5,405,492	1,389,828
	6,428,153	1,605,005

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Nature of operations - Note 1

Events after the reporting period – Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 29, 2017 and are signed on its behalf by:

Approved by the Board “Garth Johnson”, Director “Drew Cadenhead”, Director

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Condensed Consolidated Interim Statements of Comprehensive Loss

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

	Three Months Ended September 30, 2017 \$	Three Months Ended September 30, 2016 \$	Nine Months Ended September 30, 2017 \$	Nine Months Ended September 30, 2016 \$
Revenue				
Oil and gas sales	168,351	-	340,465	-
Expenses				
Accounting and legal	38,750	20,403	96,772	20,946
Bank charges	463	379	1,368	760
Consulting fees	3,685	770	448	46,516
Corporate relations and development (recovery)	(8,095)	440	47,225	468
Depletion	10,676	-	54,127	-
Finder's Fee (Note 3)	-	-	169,000	-
Insurance	6,850	-	6,850	-
License fees	-	-	10,000	-
Management fees (Note 11)	15,000	-	15,000	-
Office	13,588	11,842	34,273	17,042
Operating expenses on oil and gas properties	151,219	-	293,071	-
Public company listing expense (Note 3)	-	-	506,798	-
Royalties	14,362	-	32,079	-
Salaries and related benefits (recovery) (Note 11)	16,496	(67,095)	65,076	(43,522)
Share-holder communications	204	-	23,232	-
Travel	14,980	3,966	41,521	20,353
	278,178	(29,295)	1,396,840	62,563
(Loss) income before other items	(109,827)	29,295	(1,056,375)	(62,563)
Other items				
Interest	245	19	245	451
Foreign exchange gain (loss)	57	2,080	(6,441)	1,325
	302	2,099	(6,196)	1,776
Net and comprehensive loss for the period	(109,525)	31,394	(1,062,571)	(60,787)
Basic and diluted loss per share (Note 10)	(0.00)	0.00	(0.02)	(0.00)
Weighted average number of common shares outstanding	73,961,348	25,326,982	60,378,010	25,550,936

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Condensed Consolidated Interim Statements of Changes in Equity

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

	Share capital Shares	Share capital Amount \$	Subscription receipt proceeds \$	Equity component of convertible debentures \$	Deficit \$	Total equity \$
Balance at December 31, 2015	25,475,000	739,913	-	19,951	(885,805)	(125,941)
Common shares issued	1,500,000	150,000	-	-	-	150,000
Cancellation of common shares	(7,840,904)	-	-	-	-	-
Conversion of convertible debentures	533,332	81,209	-	(19,951)	-	61,258
Subscription receipts	-	-	770,550	-	-	770,550
Comprehensive loss for the period	-	-	-	-	(60,787)	(60,787)
Balance at September 30, 2016	19,667,428	971,122	770,550	-	(946,592)	795,080
Common shares issued	6,742,603	1,011,390	(770,550)	-	-	240,840
Share issue costs	-	(8,818)	-	-	-	(8,818)
Subscription receipts	-	-	425,000	-	-	425,000
Comprehensive income for the period	-	-	-	-	(62,274)	(62,274)
Balance at December 31, 2016	26,410,031	1,973,694	425,000	-	(1,008,866)	1,389,828
Adjustment to record the issued common shares of the legal parent at the time of the reverse takeover (Note 3)	3,494,000	-	-	-	-	-
Fair value of net assets of the parent at the time of the reverse takeover (Note 3)	-	524,100	-	-	-	524,100
Net adjustment to common shares at the time of the reverse takeover	(1,462,168)	-	-	-	-	-
Common shares issued	45,519,485	5,697,936	(425,000)	-	-	5,272,936
Share issue costs	-	(625,794)	-	-	-	(625,794)
Option compensation on acquisition (Note 9)	-	37,590	-	-	-	37,590
Deferred premium on flow-through shares (Note 2)	-	(130,597)	-	-	-	(130,597)
Comprehensive loss for the period	-	-	-	-	(1,062,571)	(1,062,571)
Balance at September 30, 2017	73,961,348	7,476,929	-	-	(2,071,437)	5,405,492

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Pulse Oil Corp. (formerly Wolpack Capital Corp.)

Condensed Consolidated Interim Statement of Cash Flows

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

	Nine Months Ended September 30, 2017 \$	Nine Months Ended September 30, 2016 \$
Cash flows (used in) operating activities		
Net and comprehensive loss for the period	(1,062,571)	(60,787)
Items not affecting cash		
Public company listing expense (Note 3)	506,798	-
Depletion	54,127	-
Finder's fee	100,000	-
Changes in non-cash working capital		
(Increase) decrease in amounts receivable and prepaids	(282,991)	10,771
Decrease in accounts payable and accrued liabilities	(51,964)	(107,592)
Inventories	(38,388)	-
	(774,989)	(157,608)
Cash flows from financing activities		
Cash obtained upon completion of RTO (Note 3)	93,919	-
Share issue cost paid	(625,794)	-
Loan advance	-	(500,000)
Proceeds from subscription receipts	-	770,550
Issuance of share capital	4,812,935	150,000
	4,281,060	420,550
Cash flows from (used in) investing activity		
Purchase of oil and gas properties	(2,493,687)	-
Increase (decrease) in cash during the period	1,012,384	262,942
Cash, beginning of period	651,224	43,638
Cash, end of period	1,663,608	306,580

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Supplemental cash flow disclosure (Note 13)

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

1. Nature of operations

Pulse Oil Corp. (formerly Wolfpack Capital Corp.) (the “Company”, “Pulse”) is a company incorporated on September 17, 2012 under the *Business Corporation Act* of Alberta, Canada. The Company changed its name to Pulse Oil Corp., (“Pulse”) on November 30, 2016. On August 28, 2013 the Company’s shares began trading on the TSV Venture Exchange (“TSX-V”) under the symbol “WLP.P” and on December 1, 2016 the Company’s trading symbol changed to “PUL”.

On February 24, 2017, Pulse received approval from the TSX-V to close its Qualifying Transaction as detailed in the Company’s Filing Statement dated February 15, 2017 that is filed on SEDAR. As a result, the Company is no longer considered to be a Capital Pool Company and on March 7, 2017, the Company’s shares resumed trading on the TSX-V as a Tier 2 Oil and Gas Company under the symbol “PUL”.

On September 8, 2017, Pulse’s subsidiary changed its name from Hydrate Resources Corp. (“HRC”) to Pulse Oil Operating Corp. (“Pulse OpCo”).

The Company’s primary business is to be an active oil and gas producer and explorer in the oil and gas business with a focus in Canada. In order to fund its potential future operations and commitments, the Company is dependant on the ability to secure additional financing through debt, equity issuances or other available means. As at September 30, 2017, the Company had working capital of \$1,759,132 and a cumulative deficit of \$2,071,437. Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and its liabilities for the ensuing twelve months as they normally fall due. These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

2. Summary of significant accounting policies

Basis of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the period ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s audited consolidated financial statements for the period ended December 31, 2016.

Basis for presentation

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

2. Summary of significant accounting policies - continued

The condensed consolidated interim financial statements include the interim financial statements of the Company and its wholly-owned subsidiaries, Pulse Oil Operating Corp. ("Pulse OpCo") (formerly Hydrate Resources Corp. ("HRC")), a company incorporated in British Columbia, Canada and HRC (NZ) Limited, a company incorporated in New Zealand.

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Flow-through shares:

The Company has adopted an accounting policy whereby flow-through share proceeds are allocated between the offering of the common shares and the premium associated with the sale of income tax benefits when the common shares are offered, if any. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and reversed in the statement of comprehensive loss as the Company spends flow-through share proceeds.

3. Reverse Take-over Transaction - Acquisition of Pulse Oil Corp.

On February 24, 2017, the Company completed a reverse takeover transaction ("RTO") with Pulse OpCo, pursuant to which the Company acquired all of the issued and outstanding shares of Pulse OpCo. This transaction qualified as the Company's Qualifying Transaction as required and approved by the TSX Venture Exchange.

As a result of the closing of the Qualifying Transaction, Pulse has changed from a capital pool company to a Tier 2 oil and gas company with its shares trading on the TSX Venture Exchange on March 7, 2017, under the symbol "PUL".

In accordance with IFRS 3, Business Combinations, the substance of the transaction was a reverse acquisition of a non-operating company. The transaction does not constitute a business combination since the Company does not meet the definition of a business under the standard. As a result, under IFRS the transaction is accounted for as a capital transaction, with Pulse OpCo being identified as the acquirer and the transaction being measured at the fair value of the equity consideration issued by the Company.

IFRS 2, Share-based Payments, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Since Pulse OpCo shareholders have issued shares with a fair value in excess of the net assets received, IFRS 2 would indicate that the difference is recognized in comprehensive loss as a public company listing expense.

Pulse OpCo has been treated as the accounting parent (legal subsidiary) and the Company has been treated as the accounting subsidiary (legal parent) in these condensed consolidated interim financial statements. As Pulse OpCo was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in the condensed consolidated interim financial statements at their historical carrying values. Pulse's results of operations have been included from the date of the RTO. The legal capital continues to be that of Pulse, the legal parent.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

3. Reverse Take-over Transaction - Acquisition of Pulse Oil Corp. - continued

The terms of the transaction were as follows:

- Pursuant to the Acquisition Agreement between Pulse and Pulse OpCo, each Pulse OpCo Share was exchanged for Pulse Shares at a ratio of 1 Pulse OpCo Share to 0.95 Pulse Share for a deemed purchase price of \$3,763,429, not including the Pulse OpCo Shares issued pursuant to the \$425,000 private placement that closed on December 22, 2016. Pulse issued to the holders of securities of Pulse OpCo, 27,781,197 Pulse Shares, inclusive of the \$425,000 private placement that closed on December 22, 2016.
- Pursuant to the Acquisition Agreement, Pulse acquired all of the outstanding Pulse OpCo Shares. Pulse OpCo became a wholly owned subsidiary of Pulse.

In addition, a Finder's Fee was paid on the completion of the Qualifying Transaction by way of \$69,000 in cash and an issuance of 666,667 Pulse Shares at a deemed price of \$0.15 per share for a deemed value of \$100,000.

Consideration

3,494,000 shares issued at \$0.15	\$ 524,100
440,000 stock options	37,590
	<u>\$ 561,690</u>

Net Assets Acquired

Cash	\$ 93,918
Accounts receivable	2,834
Accounts payable and accrued liabilities	(41,860)
Public company listing expense	506,798
	<u>\$ 561,690</u>

In connection with this transaction, 440,000 options were carried over from Pulse at the date of closing of the transaction with a fair value of \$37,590 using the Black-Scholes option pricing model, based on a risk-free rate of 0.64%, an expected life of 1.49 years, an expected volatility of 100% and an expected dividend yield of 0%.

4. Acquisition of oil and gas properties

A) Bigoray Assets:

On October 31, 2016, the Company closed an acquisition acquiring a 50% interest in oil and gas assets (the "property") located in the Bigoray area of Alberta from Crimson Energy Ltd. and Crimson Oil and Gas Ltd. (collectively referred to as Crimson) for cash consideration of \$ 750,000. In addition to the initial payment of \$ 750,000, the Company is committed to fund the first \$ 3 million in capital costs to develop and enhance the property. If the Company does not meet this expenditure requirement by March 31, 2017, or a later date as mutually agreed by Crimson and the Company ("expenditure date"), the Company's 50% interest in the property and any after-acquired assets shall be reduced as of September 1, 2016, to a percentage determined by dividing the Company's total payments at the expenditure date by \$ 3million, multiplied by 50%. Pursuant to the acquisition agreement, the Company has an option to acquire Crimson's remaining interest in the property, any after-acquired assets, and any additional wells for \$ 4.25 million until April 30, 2017, or a later date as mutually agreed by Crimson and the Company.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

4. Acquisition of oil and gas properties – continued

- (a) On March 9, 2017, the terms of the purchase and sale agreement (the “Agreement”) between the Company and Crimson were extended to ensure the committed work program takes optimal advantage of the Company’s funding plans, and maximizes the value of the Bigoray Assets, located in Alberta. The material amendments to the terms of the Agreement are as follows:
- (i) The deadline for the \$ 3,000,000 capital cost commitment was revised to:
 - a. \$ 250,000 to be paid by March 20, 2017 (completed),
 - b. \$ 1,000,000 to be paid by June 30, 2017 (completed), and
 - c. \$ 1,750,000 to be paid by September 29, 2017 (see Note 14 – Events after the reporting period)
 - (ii) The deadline for acquiring the remaining 50% interest in the Bigoray Assets was revised to October 20, 2017, which date is expected to be after the completion of the planned well re-activation program.

According to the acquisition agreement, Crimson is the operator of the property. As of September 30, 2017, the Company has significant influence over the property’s financial and operating policy decisions, but no voting control. The Company has classified the arrangement with Crimson as a joint operation where the Company recognizes its own assets, liabilities and transactions, including its share of those incurred jointly, in accordance with the relevant IFRSs.

As of September 30, 2017 and December 31, 2016, the total cost of the assets held by the Company, including acquisition-related costs and net of other applicable adjustments, is as follows:

	September 30, 2017	December 31, 2016
	\$	\$
Purchase price of interests	1,821,193	750,000
Reclamation provision	334,820	125,570
Acquisition costs	<u>77,403</u>	<u>62,907</u>
	<u>2,233,416</u>	<u>938,477</u>

See note 14 – Events after the reporting period

B) Queenstown Assets:

On June 13, 2017, Pulse completed its acquisition of certain oil and natural gas assets located in the Queenstown area of the Province of Alberta from an arm’s length private company. The consideration paid to the Vendor was \$1.35 million cash, subject to customary post-closing adjustments and the issuance of three million Common Shares of Pulse at a deemed issue price of \$0.12. The Assets include producing and non-producing oil and gas assets in which Pulse has acquired a 100% working interest in 30,878 net acres of land, including seven wells, a royalty interest in an additional three wells and at least twenty, 3D seismically defined, infill development drilling locations in the Queenstown area of Alberta.

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

4. Acquisition of oil and gas properties – continued

As of September 30, 2017 and December 31, 2016, the total cost of the assets held by the Company, including acquisition-related costs and net of other applicable adjustments, is as follows:

	September 30, 2017	December 31, 2016
	\$	\$
Purchase price of interests	1,710,000	-
Reclamation provision	477,739	-
Acquisition costs	47,084	-
	<u>2,234,823</u>	<u>-</u>

5. Oil and gas properties

	\$	\$	\$	September 30, 2017	September 30, 2016
	\$	\$	\$	\$	\$
		Capitalized expenditures:			
		Additions during the period	Accumulated depletion	Net book value	Net book value
Working interests	Cost				
Bigoray	2,233,416	-	39,373	2,194,043	938,477
Queenstown	2,234,823	44,807	14,754	2,264,876	-
	<u>4,468,239</u>	<u>44,807</u>	<u>54,127</u>	<u>4,458,919</u>	<u>938,477</u>

No general and administrative expenses have been capitalized since the purchase of the working interests.

See note 14 – Events after the reporting period

6. Reclamation provision

The reclamation provision is the estimated cost of restoring and retiring the Bigoray Assets oil and gas property. The following table reconciles the estimated beginning and ending carrying amounts of the reclamation provision.

	September 30, 2017	December 31, 2016
	\$	\$
Reclamation provision, beginning of year	125,570	-
Current period additions (reductions)	<u>209,250</u>	<u>125,570</u>
Reclamation provision, end of period	<u>334,820</u>	<u>125,570</u>

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

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6. Reclamation provision - continued

The reclamation provision is the estimated cost of restoring and retiring the Queenstown Assets oil and gas property. The following table reconciles the estimated beginning and ending carrying amounts of the reclamation provision.

	September 30, 2017	December 31, 2016
	\$	\$
Reclamation provision, beginning of year	-	-
Current period additions (reductions)	<u>477,740</u>	<u>-</u>
Reclamation provision, end of period	<u>477,740</u>	<u>-</u>

The assumptions used for the calculation of the provision on the Bigoray Assets are as follows:

	September 30, 2017	December 31, 2016
	\$	\$
Estimated cash flows to settle the obligation (undiscounted)	668,466	250,700
Time range for settling the obligation	28 years	28 years
Credit-adjusted risk-free rate	2.5%	2.5%

The assumptions used for the calculation of the provision on the Queenstown Assets are as follows:

	September 30, 2017	December 31, 2016
	\$	\$
Estimated cash flows to settle the obligation (undiscounted)	822,461	-
Time range for settling the obligation	22 years	-
Credit-adjusted risk-free rate	2.5%	-

Pulse Oil Corp. (formerly Wolpack Capital Corp.)

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For the Nine Months Ended September 30, 2017

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7. Accounts payable and accrued liabilities

	September 30, 2017 \$	December 31, 2016 \$
Amounts payable to joint operations partner	-	42,707
Other payables and accrued liabilities	<u>79,504</u>	<u>46,900</u>
Accounts payable and accrued liabilities	<u>79,504</u>	<u>89,607</u>

The carrying amounts of amounts payable to joint operations partner and other payables and accrued liabilities, as presented above are reasonable approximations of their fair values.

8. Share capital

(a) Authorized

At September 30, 2017 and 2016, the Company's authorized share capital consisted of an unlimited number of common shares without par value.

(b) Reconciliation of changes in share capital

- (i) The Company issued 2,000,000 common shares at \$0.05 per share to former directors and executives of the company. These common shares were held in escrow and were to be released pro-rata to the shareholders as follows: 10% upon issuance of the final TSX-V bulletin announcing the acceptance of a Qualifying Transaction ("QT"). An additional 15% will be released on each of the dates every six months following the date of acceptance through to 36 months.
- (ii) Pursuant to an agency agreement dated May 23, 2013 (the "Agency Agreement"); the Company filed a prospectus on May 24, 2013 for an initial public offering ("IPO" or the "Offering") in British Columbia, Alberta, and Ontario. On August 27, 2013 the Company completed its initial distribution of 2,494,000 common shares at \$0.10 per share for gross proceeds of \$249,400. The Company paid cash commissions of 10% of gross proceeds.
- (iii) On September 2, 2015, the Company's shares were halted for failure to complete a Qualifying Transaction within 24 months of listing. On July 4, 2016, the TSX-V granted the Company an extension of time to complete a qualifying transaction until August 23, 2016, after such time if a QT is not completed, the Company will be transferred to the TSX-NEX.
- (iv) In accordance with TSX Venture Exchange Policy 2.4, *Capital Pool Companies*, the Company did not complete a QT within the prescribed time frame. Therefore, effective, October 20, 2016, the Company's listing was transferred to NEX, the Company's Tier classification changed from Tier 2 to NEX, and the trading in the shares of the Company remain suspended.

As required under Exchange policy, an aggregate of 1,000,000 common shares of the Corporation subject to escrow and held by the Corporation's officers and directors have been cancelled in order to complete the NEX Transfer. As at November 25th, 2016, the Company had 3,494,000 shares issued and outstanding.

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Notes to the Condensed Consolidated Interim Financial Statements

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Expressed in Canadian Dollars (Unaudited)

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8. Share capital – continued

- (v) On February 24, 2017, Pursuant to the Acquisition Agreement between Pulse and Pulse OpCo, each Pulse OpCo Share was exchanged for Pulse Shares at a ratio of 1 Pulse OpCo Share to 0.95 Pulse Share for a deemed purchase price of \$3,763,429, not including the Pulse OpCo Shares issued pursuant to the \$425,000 private placement that closed on December 22, 2016. Pulse issued to the holders of securities of Pulse OpCo, 27,781,197 Pulse Shares, inclusive of the \$425,000 private placement that closed on December 22, 2016.

In addition, 666,667 common shares were issued for a deemed value of \$100,000 as a Finder's Fee regarding the above Transaction.

- (vi) On June 13, 2017, the Pulse issued 25,959,724 units of the Company (the "Basic Units") at a price of \$0.12 per Basic Unit for gross proceeds of \$3,115,167. Each Basic Unit was comprised of one common share of Pulse and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire on common share at an exercise price of \$0.17 per common share for a period of 24 months (June 13, 2019).

In addition, Pulse issued 13,059,760 units of the Company (the "Flow-Through Units") for gross proceeds of \$1,697,768. Each Flow-Through Unit consisted of one common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) (a "Flow-Through Share") and one Warrant (also on the same terms and conditions as the Warrants issued pursuant to the Basic Units).

At September 30, 2017, Pulse has 73,961,348 common shares issued and outstanding (fully diluted: 113,420,832).

See Note 14 – Events after the reporting period

Warrants

Warrants			
	Number Outstanding	Exercise Price	Expiry Date
Outstanding September 30, 2016 and December 31, 2016	Nil	-	-
Outstanding September 30, 2017	39,019,484	\$0.17	June 13, 2019

See note 14 – Events after the reporting period

9. Stock options and share-based compensation

Stock Options		
	Number Outstanding	Weighted Average Exercise Price
Outstanding September 30, 2016 and December 31, 2016	Nil	\$ -
Outstanding September 30, 2017	440,000	\$ 0.10

Pulse Oil Corp. (formerly Wolfpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

TSX-V: PUL

9. Stock options and share-based compensation - continued

On February 24, 2017, in connection with the closing of the Company's Qualifying Transaction, 440,000 options were carried over from Pulse, which are exercisable according to TSX-V policies at \$0.10 per common share for a period of up to August 23, 2018. The options were valued at \$37,590 using the Black Scholes option-pricing model based on assumptions of an expected life of 1.49 years, risk free rate of 0.64%, expected dividend yield of 0% and expected volatility of 100% based on comparable corporations. During the third quarter ended September 30, 2017, share-based compensation costs of \$37,590 were recognized.

10. Basic and diluted loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants and stock options, is the same as basic loss per share for the periods ended September 30, 2017 and 2016.

11. Related party disclosures

The Company had the following transactions with related parties:

	September 30, 2017	December 31, 2017
	\$	\$
Management fees paid to companies controlled by a director or officer	15,000	-
Operating fees paid to companies controlled by a director or officer	34,000	-
	49,000	-

The Company has identified all of the directors and senior officers as its key management personnel. All amounts due to related parties bear no interest and are due on demand. The transactions listed above were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. Financial instruments

Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	September 30,	December 31,
		2017	2016
		\$	\$
Cash	FVTPL	1,663,608	651,224
Accounts receivable	Loans and receivables	205,055	15,304
Accounts payable and accrued liabilities	Other financial liabilities	79,504	89,607

Pulse Oil Corp. (formerly Wolpack Capital Corp.)

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For the Nine Months Ended September 30, 2017

Expressed in Canadian Dollars (Unaudited)

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12. Financial instruments – continued

Fair value

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The carrying value of the accounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Pursuant to IFRS 7, the fair value of cash is measured on a recurring basis based on Level 1 inputs.

13. Supplemental cash flow information

The Company has conducted non-cash investing and financing transactions as follows:

	2017	2016
	\$	\$
Investing activity		
Issue of common shares for exploration and evaluation assets	360,000	-

14. Events after the reporting period

Acquisitions:

1. On October 20, 2017, the Company completed an Asset Exchange Agreement that was signed on September 20, 2017. The Joint Operation formed by Pulse and Crimson (the "Pulse JO") had negotiated the Asset Exchange Agreement with an intermediate-sized oil and gas producer ("PubCo"). The transaction provided that the Pulse JO exchange its 50% interest in the Central Alberta Bigoray Nisku-F Pool for PubCo's 75% interest in the nearby Bigoray Nisku-D Pool. After completion on October 20, 2017, the Pulse JO owns 100% of the Bigoray Nisku-D and Nisku-E Pool acreages owned by Pulse's partners, including all associated wells and infrastructure, and PubCo owns a 100% interest in the Bigoray F-Pool and associated infrastructure.

Pulse Oil Corp. (formerly Wolpack Capital Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

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14. Events after the reporting period - continued

2. On October 31, 2017, Pulse completed an Asset Purchase and Sale Agreement (the "Agreement") signed on October 20, 2017. Pursuant to the Agreement, Pulse acquired 100% of the remaining working interest in Pulse's Bigoray assets from its Joint Operations partner (Crimson). The acquisition price and structure are described in detail below. The assets include the Nisku-D pool and Nisku-E pool acreage and are concentrated in the light-oil prone West Pembina area of Central Alberta. The acquired assets include approximately 7,000 acres of hydrocarbon rights, proven producing and proven non-producing reserves in four separate formations, as well as valuable existing infrastructure associated with the Bigoray assets.

The purchase price for the acquisition described above is CDN \$4.1 million (including payments over time in a combination of cash and shares) subject to customary closing adjustments, structured by Pulse's management team to close the acquisition without the need to raise additional funding while also providing Pulse the most flexibility to advance the project at Pulse's own pace. The acquisition price was structured as follows:

1. \$500,000 in cash payable at closing, subject to standard closing adjustments; and
2. Issuance of 14,118,037 Pulse common shares at a deemed issue price of \$0.14 per Common Share, equal to an aggregate deemed value of \$1,976,525 and subject to required regulatory hold periods.
 - a. One-third of the issued shares (4,705,542 shares) shall be released for trading upon the initial expiry of the required regulatory hold period, with the balance of the shares (9,412,495) to be released one-third (1/3, or 3,137,185 shares) every six (6) months, commencing after the expiry of the regulatory hold periods; and
 - b. The Pulse shares issued as part of the acquisition price will be divided by the seller to the seller's shareholders of record as of the closing date of the agreement. No single shareholder of the seller will own more than 2% of Pulse's outstanding common shares.
3. Cash installments as follows:
 - a. \$8,125.00 per month effective November 1, 2017 until June 1, 2018 (total \$65,000); (November 1, 2017 installment was completed) and
 - b. \$62,500 per quarter beginning July 1, 2018 for four quarters (total \$250,000); and
 - c. \$125,000 per quarter for 11 quarters (total \$1,375,000).

Pulse also has certain clauses attached to the acquisition structure that allow, at no penalty, accelerated payments to be made to shorten the duration of the payment schedule.

Share capital:

On November 27, 2017, Pulse's Share Purchase Warrants began trading on the TSX Venture Exchange under the symbol PUL.WT.

Subsequent to the period ended September 30, 2017, 325,000 warrants were exercised for \$0.17 per share for cash proceeds of \$55,250.