



CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025

Dated December 1, 2025



PULSE OIL CORP.
Condensed Interim Consolidated Financial Statements
September 30, 2025
(Expressed in Canadian Dollars)

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Pulse Oil Corp.

Condensed Interim Consolidated Statements of Financial Position

Unaudited, As at
Expressed in Canadian Dollars

	September 30, 2025 \$	December 31, 2024 \$
Assets		
Current assets		
Cash and cash equivalents	398,043	1,086,450
Accounts receivable (Note 11)	167,652	333,969
Deposits (Note 14)	837,960	403,818
Prepaid expenses and advances	173,598	124,907
	1,577,253	1,949,144
Equipment (Note 5)	1,483,453	1,483,453
Oil and gas properties (Notes 4)	27,907,657	26,126,495
	29,391,110	27,609,948
Total Assets	30,968,363	29,559,092
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	1,382,270	2,005,024
	1,382,270	2,005,024
Long-term liabilities		
Loan (Note 7 and 9)	2,387,833	-
Decommissioning obligations (Note 6)	3,099,422	3,099,422
	5,487,255	3,099,422
Total Liabilities	6,869,525	5,104,446
Shareholders' equity		
Share capital (Note 8)	33,491,929	33,491,929
Reserves	3,410,425	3,410,425
Deficit	(12,803,516)	(12,447,708)
Total Equity	24,098,838	24,454,646
Total Liabilities and Equity	30,968,363	29,559,092

Nature of operations and going concern - Note 1

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on December 1, 2025 and are signed on its behalf by:

Approved by the Board

"Garth Johnson"

Director

"Daniel Bolstad"

Director

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

Pulse Oil Corp.

Condensed Interim Consolidated Statements of Income and Comprehensive Income

Unaudited, For the periods ended

Expressed in Canadian Dollars

	Three Months Ended September 30, 2025 \$	Three Months Ended September 30, 2024 \$	Nine Months Ended September 30, 2025 \$	Nine Months Ended September 30, 2024 \$
Revenue				
Oil and gas sales (Note 13)	947,514	1,122,510	2,827,507	3,750,097
Royalties	(186,389)	(15,752)	(529,472)	(75,086)
	761,125	1,106,758	2,298,035	3,675,011
Expenses				
Accounting and legal	6,199	21,400	50,854	35,967
Accretion expense	-	-	-	531
Bank charges	883	342	1,864	1,789
Consulting fees	8,480	15,576	73,499	75,434
Corporate Relations and development	-	1,062	-	1,062
Depletion (Note 4)	366,034	319,669	1,023,445	1,086,486
Director and management fees (Note 9)	86,250	87,750	258,750	245,917
Insurance	8,321	11,040	24,937	24,926
Office	31,647	39,043	77,592	78,107
Operating expenses on oil and gas properties (Note 9)	173,534	207,767	476,398	532,485
Transportation costs on oil and gas properties	92,913	134,550	254,192	384,760
Regulatory and filing fees	3,515	3,191	29,041	25,162
Salaries and related benefits (Note 9)	125,228	128,599	361,799	337,804
Shareholder communications	14,100	4,390	14,366	30,280
Travel	2,790	2,082	8,190	8,772
	919,894	976,461	2,654,927	2,869,482
Gain before other items	(158,769)	130,297	(356,892)	805,529
Other items				
Interest	-	(7,631)	1,084	(6,455)
Loan forgiveness	-	-	-	40,000
	-	(7,631)	1,084	33,545
Net income (loss) and net comprehensive				
Income (loss) for the period	(158,769)	122,666	(355,808)	839,074
Basic and diluted earnings per share (Notes 10)	(0.00)	0.00	(0.00)	0.00
Weighted average number of common shares outstanding	623,465,656	623,465,656	623,465,656	622,752,935

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

Pulse Oil Corp.
Condensed Interim Consolidated Statements of Changes in Equity

Unaudited
 Expressed in Canadian Dollars

	Share capital Shares	Share capital Amount \$	Reserves \$	Deficit \$	Total equity \$
Balance at December 31, 2023	519,554,714	29,977,249	2,861,310	(8,168,108)	24,670,451
Rights offering	103,910,942	4,156,437	-	-	4,156,437
Share issue costs	-	(92,554)	-	-	(92,554)
Net income and comprehensive income for the period	-	-	-	839,074	839,074
Balance at September 30, 2024	623,465,656	34,041,044	2,861,310	(7,329,034)	29,573,320
Balance at December 31, 2024	623,465,656	33,491,929	3,410,425	(12,447,708)	24,454,646
Net loss and comprehensive loss for the period	-	-	-	(355,808)	(355,808)
Balance at September 30, 2025	623,465,656	33,491,929	3,410,425	(12,803,516)	24,098,838

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

Pulse Oil Corp.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited, For the periods ended
Expressed in Canadian Dollars

	Nine Months Ended September 30, 2025 \$	Nine Months Ended September 30, 2024 \$
Cash flows from (used in) operating activities		
Net income (loss) for the period	(355,808)	839,074
Items not affecting cash		
Accretion expense	-	531
Depletion	1,023,445	1,086,486
Gain on loan forgiveness	-	(40,000)
Interest	25,333	-
Changes in non-cash working capital		
Accounts receivable	164,219	(180,520)
Prepaid expenses and deposits	(482,834)	(162,010)
Accounts payable and accrued liabilities	(530,851)	(221,065)
	(156,496)	1,322,496
Cash flows used in financing activities		
Share issue costs	-	(92,642)
Rights offering	-	4,156,437
Loan Proceeds (Note 7)	2,250,000	-
Refundable Deposit	-	395,448
Property acquisition liability	-	(95,796)
	2,250,000	4,363,447
Cash flows used in investing activities		
Oil and gas properties expenditures	(2,790,897)	(6,301,030)
Equipment purchase	-	(274,499)
Changes in non-cash working capital		
Accounts payable	8,986	945,086
	(2,781,911)	(5,630,443)
Increase (Decrease) in cash and cash equivalent during the period	(688,407)	55,500
Cash and cash equivalents, beginning of period	1,086,450	227,974
Cash and cash equivalents, end of period	398,043	283,474

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

Pulse Oil Corp.

Notes to the Condensed Interim Consolidated Financial Statements For the Three and Nine Months Ended September 30, 2025

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1. NATURE OF OPERATIONS AND GOING CONCERN

Pulse Oil Corp. (the “Company”, “Pulse”) is a Company incorporated on September 17, 2012 under the *Business Corporations Act* of Alberta, Canada. The Company’s common shares are listed for trading on the TSV Venture Exchange (“TSX-V”) under the symbol “PUL”. Currently trading has been suspended on the TSX-V, but management feels Pulse will be back trading shortly.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements. Such adjustments could be material. The Company incurred a loss of \$355,808 (September 30, 2024 – \$805,529 profit) and had cash flow from operating activities of \$(156,496) (September 30, 2024 – \$1,322,496). As at September 30, 2025, the Company had a working capital of \$194,983 (September 30, 2024 – \$(880,190)) and an accumulated deficit of \$12,803,516 (December 31, 2024 - \$12,447,708). The Company’s primary business is oil and gas exploration and production in Canada. The oil and gas sector is a capital-intensive industry. The Company plans to further invest in its properties to facilitate extraction of its oil and gas reserves. In order to fund investment in its properties and its continued operations and commitments, the Company is dependent on its ability to generate cash flow from its oil and gas operations and to secure additional financing through debt, equity issuances or other available means.

Management’s plan to meet the Company’s current and future obligations are to raise capital through private placements and debt facilities and rely on the financial support of its shareholders and parties related to the current shareholders to meet its financing needs. It also plans to invest in its properties to facilitate later extraction of its oil and gas reserves. The Company anticipates it will have sufficient cash on hand to service its liabilities and fund operating costs as they come due. However, there is uncertainty with respect to the Company’s ability to generate sufficient earnings to fully fund its operating activities without raising additional capital. The application of the going concern assumption is dependent upon the Company’s ability to continue to generate future profitable operations and obtain additional financing. The above events and conditions indicate there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Basis of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis. Estimates and judgments made by management in the preparation of these consolidated financial statements are subject to a higher degree of measurement uncertainty during volatile periods. These consolidated financial statements have been prepared on a going concern basis.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Pulse Oil Operating Corp, a Company incorporated in British Columbia, Canada.

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Functional and presentation currency

The functional currency of the Company and its subsidiaries is the Canadian dollar, which is the currency of the primary economic environment in which the Company and its active subsidiary operates. These consolidated financial statements are presented in Canadian dollars.

Critical judgments and sources of estimation uncertainty

The preparation of these consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the reporting period. It also requires management to exercise judgment in applying the Company's accounting policies.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

Critical accounting judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

(i) *Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operations, meet its liabilities for the ensuing year as they fall due, involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

(ii) *Identification of impairment and impairment reversal indicators for oil and gas properties and equipment*

The Company evaluates exploration and evaluation assets and oil and gas properties for impairment if indicators exist. The Company's oil and gas properties are reviewed at each reporting date to assess whether there is any indication of impairment or impairment reversal. The assessment considers significant changes in reservoir performance including forecasted production volumes, forecasted royalty, operating, capital and abandonment and reclamation costs, forecasted petroleum and natural gas prices and the resulting cash flows from proved plus probable petroleum and natural gas reserves.

(iii) *Cash generating unit ("CGU")*

The Company's assets are aggregated into CGUs, based on the unit's ability to generate independent cash inflows. The determination of the Company's CGUs is based on management's judgments in regard to shared infrastructure, geographical proximity, resource type and materiality. Based on management's assessment, the Company's Bigoray and Queenstown properties each form separate CGUs.

Estimates

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities:

(i) *Recoverable amount of assets*

Recoverable amount of the Company's assets is determined based on the higher of value-in-use ("VIU") and fair value less costs of disposal ("FVLCD"). Both calculations require various assumptions and estimates including future commodity prices; expected production volumes; discount rates; operating costs; future

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capital requirements; and decommissioning costs. The assumptions and estimates are highly uncertain and are subject to change as new information becomes available. Changes in assumptions could affect the carrying amounts of assets; thus, impairment charges and reversals will affect the consolidated statements of income (loss) and comprehensive income (loss).

(ii) Taxes

The measurement of a deferred tax is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

(iii) Depletion and depreciation

Oil and natural gas reserve estimates are used in the unit-of-production depletion and depreciation calculation; determining the timing of abandonment costs; and the impairment analysis of the Company's assets. Annually, the Company's proved plus probable reserves are estimated by independent reserve engineers with reference to available geological, geophysical, and engineering data. Estimates of oil and natural gas reserves are inherently uncertain; require the application of judgment; and are subject to regular revision, either upward or downward, based on new information. The impact of future changes to estimates for the consolidated financial statements of subsequent periods could be material. Changes to estimates of oil and natural gas reserves prospectively affect the amounts of depletion, depreciation, and impairment charged. Consequently, the carrying amounts of oil and gas properties and exploration and evaluation assets could be affected.

Proved and probable reserves are estimated using independent reserve evaluator reports in accordance with Canadian Securities Regulation National Instrument 51-101, and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

In determining reserves for use in the depletion and impairment calculations, a barrel of oil equivalent ("boe") conversion ratio of six thousand cubic feet of natural gas ("mcf") to one barrel of oil ("bbl") is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in the reserve reports are derived by converting natural gas to oil in the ratio of six mcf of gas to one bbl.

For equipment assets, depreciation is recognized in earnings on a 20% declining balance basis over the estimated remaining useful life and is reviewed annually.

For exploration and evaluation assets, all costs directly associated with exploration are initially capitalized. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include costs to acquire acreage and exploration rights, geological and geophysical costs, asset retirement costs, exploration and evaluation drilling, sampling and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net earnings as exploration expense.

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Expressed in Canadian Dollars

(iv) *Provision for expected credit losses (“ECLs”)*

The Company performs impairment testing annually for trade receivables in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

(v) *Valuation of the decommissioning obligations*

Provisions are recognized for the future abandonment and reclamation cost of petroleum and natural gas properties at the end of their economic lives. The estimates used to determine the decommissioning provisions are uncertain and based on industry practice, current legislation, constructive requirements, and economic variables. As such, the carrying amounts of the decommissioning provisions are reviewed regularly and adjusted to reflect relevant changes.

(vi) *Fair value of warrants*

The Company accounts for its warrants using the residual value method, whereby the fair value of the common shares is measured first and the residual amount is allocated to the warrants. The Company estimates the fair value of common shares at the date of issue by reference to market prices.

(vii) *Fair value of financial instruments*

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash and cash equivalents

Cash consists of cash and demand deposits. Cash equivalents include short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Oil and gas properties

The costs to acquire rights to a developed and producing oil and gas property, including completing property assessment surveys, and tangible assets acquired for use in the oil and gas activities are capitalized to assets within the oil and gas properties.

Also capitalized to the oil and gas properties are costs directly associated with the development of oil and gas reserves, such as geological and geophysical surveys, drilling development wells, and costs to construct and install development infrastructure.

Depletion

The net carrying value of oil and gas properties is depleted using the unit-of-production method by reference to the ratio of production in the year to the related total proved and probable reserves of oil and gas, taking into account estimated future development costs necessary to bring those reserves into production. These estimated reserves are reviewed by independent reserve engineers at least annually. Proved and probable reserves are estimated by independent reserve engineers in accordance with Canadian Securities Regulation National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. Changes in reserve estimates used in prior

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periods, such as proved and probable reserves that affect the unit-of-production calculations do not give rise to prior year adjustments and are dealt with on a prospective basis.

Subsequent measurement

Costs incurred subsequent to the determination of technical feasibility and commercial viability of oil and gas properties are recognized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in earnings as incurred. Capitalized oil and gas properties generally represent costs incurred in developing proved and/or probable reserves and bringing on or enhancing production from such reserves and are accumulated on a field or geotechnical area basis.

The carrying amount of any replaced or sold component is derecognized at the time of replacement or sale. The costs of the day-to-day servicing of properties are recognized in earnings as incurred.

Impairment

The carrying amounts of the Company's oil and gas properties are reviewed at each reporting date for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any. The recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of a CGU is the greater of FVLCD and its VIU. FVLCD is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal, or using a net present value technique. In assessing VIU, the estimated future cash flows are discounted to their present values using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of income (loss) and comprehensive income (loss). Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If the amount of the impairment loss decreases in a subsequent period and can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying amount of the asset that would have been determined, net of depletion, depreciation, and amortization, if no impairment loss had been recognized. Such reversal is recognized in the consolidated statements of income (loss) and comprehensive income (loss) and reported as an impairment reversal.

Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment charges. Equipment is depreciated on a 20% declining balance basis over its remaining useful life, which is reviewed annually.

Decommissioning obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the oil and gas development and production activities by or on behalf of the Company. Decommissioning obligations are measured at the present value of management's best estimate of future cash flows required to settle the present obligation, using the risk-free rate. The risk-free rate reflects the current market and risks specific to the liability.

On initial recognition, the estimated net present value of future reclamation cost is recorded as a liability and a corresponding amount is added to the capitalized cost of the related asset. The liability increases over time through

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periodic charges to the consolidated statements of income (loss) and comprehensive income (loss). The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation.

The Company is subject to laws and regulations relating to environmental matters, including land reclamations and discharge of hazardous materials, in the jurisdiction in which it operates. The Company may be found to be responsible for damages caused by prior owners and operators of its oil and gas properties. The Company believes it has conducted its development and production activities in compliance with applicable environmental laws and regulations.

Taxes

Tax expense comprises current and deferred tax. Tax is recognized in net loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case the tax is also recognized directly in equity or other comprehensive loss. Current tax is the expected tax payable (recovery) on the taxable income (loss) for the year using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any related income tax effects.

When a financing consists of units, the fair value of the warrant is determined by the residual value method, whereby the share is valued according to the trading price on announcement date with the residual value assigned to the warrant component.

Earnings per share

The calculation of earnings per share is based on the weighted average number of common shares outstanding in the period. Diluted earnings per share is calculated whereby all "in the money" warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to

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purchase common shares at the average market price during the period. If the Company incurs net losses during the period, diluted loss per share from the potential exercise of warrants is not presented if it is considered to be anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), or at amortized cost. The classification depends on the Company's business model for managing the financial assets and terms of the related cash flow. Management determines the classification of its financial assets at initial recognition.

(i) Amortized cost

Financial assets that are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company's financial asset carried at amortized cost is its accounts receivable.

(ii) FVTPL

By default, all other financial assets are measured subsequently at FVTPL, which includes cash and cash equivalents.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of consolidated income (loss) and comprehensive income (loss). The Company currently has no financial liabilities designated as FVTPL.

(ii) Amortized cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's accounts payable and accrued liabilities, CEBA loan and property acquisition liability are classified at amortized cost.

Warrants

Financial instruments that give the holder the right, but not the obligation, to buy shares of the Company at a predetermined price within a specified time frame. Warrants will be recognized at fair value on the date of issuance using a suitable valuation model (e.g. Black-Scholes model) considering the underlying share price, exercise price, volatility, time to expiration and risk-free interest rate.

Impairment of financial instruments

The Company recognizes allowances for losses on its financial assets measured at amortized cost based on the lifetime expected credit losses anticipated to occur from all expected defaults over the life of the financial asset. To calculate the expected credit loss, the Company applies the simplified approach applying a provision matrix whereby financial assets are grouped into categories based on counterparty characteristics and aging categories.

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The Company considers past experience and forward-looking information if such information is reasonable and supportable, available without undue costs and effort, and can have a significant impact on the loss estimate.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and impairment losses are recognized in the statements of consolidated income (loss) and comprehensive income (loss).

Provisions

A provision is recognized if, as a result of a past event, the Company has a present or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income (loss) and comprehensive income (loss) net of any reimbursement. Non-current provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects a market risk-free interest rate and the risks specific to the liability. Provisions are not recognized for future operating losses. The Company is involved in various claims and litigation arising in the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour.

The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's consolidated statement of financial position, results of its consolidated operations or cash flows. Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable a future cash outflow resulting from past operations or events will occur and the amount of the cash outflow can be reasonably estimated. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change, and the carrying amounts of provisions and liabilities are reviewed regularly and adjusted accordingly. The Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can be reasonably estimated. When a loss is recognized, it is charged to the consolidated statements of income (loss) and comprehensive income (loss). The Company continually monitors known and potential contingent matters and makes appropriate provisions when warranted by the circumstances present.

Revenue recognition

Revenue from the sale of crude oil, natural gas and natural gas liquid is measured based on the consideration specified in contracts with customers. Revenue is recognized when the customer obtains control of the goods. The Company satisfies its performance obligations and the customer obtains control of the products upon delivery of the crude oil, natural gas and natural gas liquid. Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

Payment is received on the 30th day of the month following product delivery. The Company is not subject to arrangements whereby the period between the transfer of control and payment by the customer exceeds one year.

Foreign currency

Transactions in foreign currencies are translated to Canadian dollars at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate. Non-monetary assets held at historical cost are not retranslated subsequent to initial recognition. Foreign currency differences arising on translation are recognized in the consolidated statement of income (loss) and comprehensive income (loss).

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Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

New accounting pronouncements

The Company adopted the following amendments to IFRS issued by the IASB that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

IAS 12 Income Taxes

Amendments to IAS 12 require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 8 replace the definition of a change in accounting estimate with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in the consolidated financial statements that are subject to measurement uncertainty”. The amendments clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error.

IAS 1 Presentation of Financial Statements

Amendments to IAS 1 require that a company disclose its material accounting policies rather than its significant accounting policies and explain how a company can identify material accounting policies.

Future accounting pronouncements

New Standard: IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, a new standard that establishes a defined structure for the statement of profit and loss and introduces specific disclosure requirements for the statement of profit and loss. The standard is effective for annual reporting periods beginning on or after January 1, 2027, and it also applies to comparative information.

4. OIL AND GAS PROPERTIES

A continuity of the Company’s oil and gas properties is as follows:

Cost:

	Queenstown \$	Bigoray \$	Total \$
Balance, December 31, 2024	6,884,673	34,705,579	41,590,252
Additions	141,956	2,662,651	2,804,607
Balance, September 30, 2025	7,026,629	37,368,230	44,394,859

Accumulated Depletion and Impairment:

	Queenstown \$	Bigoray \$	Total \$
Balance, December 31, 2024	6,132,235	9,331,522	15,463,757
Additions	182,765	840,680	1,023,445
Balance, September 30, 2025	6,315,000	10,172,202	16,487,202

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Balance:	Queenstown	Bigoray	Total
	\$	\$	\$
December 31, 2024	752,438	25,374,057	26,126,495
September 30, 2025	711,629	27,196,028	27,907,657

During the period ended September 30, 2025, the Company capitalized \$1,197,804 (2024 - \$799,058) relating to prepaid solvent used in the Company's Enhanced Oil Recovery ("EOR") project in the Bigoray area of Alberta, Canada (Note 15).

The calculation for depletion for the period ended September 30, 2025, included future development costs for the Bigoray property of \$59,528,200 (September 30, 2024 - \$80,375,000) and Queenstown \$1,708,300 (September 30, 2024 - \$1,655,000).

Impairment loss and reversal of impairment loss

At each financial reporting date, the Company considers potential indicators of impairment or reversal or previous impairments.

Bigoray

At December 31, 2024, the Company determined that there were indicators of impairment for the Bigoray CGU. The recoverable amount of the GU was not sufficient to support its carrying value, which resulted in an impairment loss of \$4,500,000.

To determine the recoverable amount of the Bigoray CGU, the Company utilized the reserve volumes and values in the 2024 year-end reserve report, as evaluated by the Company's independent reserve evaluators. The recoverable amount was calculated as FVLCD, which was determined using a discounted cash flow approach based on the year-end 2024 proved plus probable reserves and risk adjusted after tax discount rates ranging from 14.0% to 27.5% for different reserve types within the Bigoray CGU. The VFLCD are classified as a Level 3 fair value measurement as certain key assumptions are not based on observable market data.

The following table reflects the additional impairment (or reversal) of a one percent change in the after-tax discount rate and a five percent change in the oil price realized by the Company:

	One percent increase in discount rate	One percent decrease in discount rate	Five percent increase in oil price	Five percent decrease in oil price
Impairment (reversal)	\$1,376,560	(\$1,277,480)	(\$5,174,660)	\$5,174,660

The following benchmark reference prices were used by the Company's independent reserve evaluators as a basis for the impairment test at December 31, 2024:

	2024	2025	2026	2027	2028	2029	2030	2031	2032
WTI crude oil (US\$/bbl)	76.55	71.58	74.48	75.81	77.66	79.22	80.80	82.42	84.06
Edmonton light Crude Oil (C\$/bbl)	97.50	94.79	97.04	97.37	99.80	101.79	103.83	105.91	108.03
AECO Spot Price (C\$/MMBtu)	1.45	2.36	3.33	3.48	3.69	3.76	3.83	3.91	3.99
Exchange rate (C\$/US\$)	0.73	0.71	0.73	0.74	0.74	0.74	0.74	0.74	0.74

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Queenstown

At December 31, 2023, the Company identified indicators of impairment for its Queenstown CGU. The recoverable amount of the CGU was not sufficient to support its carrying value, which resulted in an impairment loss of \$1,008,000.

To determine the recoverable amount of the Queenstown CGU, the Company utilized the reserve volumes and values in the 2023 year-end reserve report, as evaluated by the Company's independent reserve evaluators. The recoverable amount was calculated as FVLCD, which was determined using a discounted cash flow approach based on the year-end 2023 proved plus probable reserves and a risk adjusted after tax discount rate of 20.5%. The risk adjusted discount rate contemplated multiple market participant assessments specific to the Company and assets. The FVLCD are classified as a Level 3 fair value measurement as certain key assumptions are not based on observable market data.

The following table reflects the additional impairment (or reversal) of a one percent change in the after-tax discount rate and a five percent change in the natural gas price realized by the Company:

	One percent increase in discount rate	One percent decrease in discount rate	Five percent increase in natural gas price	Five percent decrease in natural gas price
Impairment (reversal)	\$34,000	(\$35,000)	(\$34,000)	\$34,000

The following benchmark reference prices were used by the Company's independent reserve evaluators as a basis for the impairment test at December 31, 2023:

	2023	2024	2025	2026	2027	2028	2029	2030	2031
WTI crude oil (US\$/bbl)	72.50	73.95	75.43	76.94	78.48	80.05	81.65	83.28	84.95
Edmonton light Crude Oil (C\$/bbl)	92.00	93.84	95.72	97.63	99.58	101.58	103.61	105.68	105.68
AECO Spot Price (C\$/MMBtu)	2.25	3.06	3.90	3.98	4.06	4.14	4.22	4.31	4.39
Exchange rate (C\$/US\$)	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750

5. EQUIPMENT

Cost

	Equipment \$	Field Equipment \$	Total \$
Balance, December 31, 2024	1,138,929	2,037,727	3,176,656
Additions	-	-	-
Balance, September 30, 2025	1,138,929	2,037,727	3,176,656

Accumulated amortization

	Equipment \$	Field Equipment \$	Total \$
Balance, December 31, 2024	557,970	1,135,233	1,693,203
Additions	-	-	-
Balance, September 30, 2025	557,970	1,135,233	1,693,203

Balance

	Equipment \$	Field Equipment \$	Total \$
Balance, December 31, 2024	580,959	902,494	1,483,453
Balance, September 30, 2025	580,959	902,494	1,483,453

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6. DECOMMISSIONING OBLIGATIONS

The decommissioning obligations is the estimated cost of restoring and retiring the Bigoray and Queenstown oil and gas properties. The following table reconciles the estimated beginning and ending carrying amounts of the decommissioning obligations.

	Queenstown \$	Bigoray \$	Total \$
Balance, December 31, 2024	628,720	2,470,702	3,099,422
Balance, September 30, 2025	628,720	2,470,702	3,099,422

The assumptions used for the calculation of the decommissioning obligations for the 2025 fiscal year is as follows:

2025	Bigoray	Queenstown
Estimated cash flows to settle the obligation (undiscounted)	\$7,188,720	\$810,311
Time range for settling the obligation	13 – 50+ years	5 - 20 years
Risk-free rate	2.93% - 3.33%	2.93% - 3.33%
Long-term inflation rate	2.00%	2.00%

7. LONG TERM LIABILITIES

During the year ended December 31, 2017, the Company completed its acquisition of the Bigoray property. As part of this property acquisition, the Company assumed an acquisition liability. As security for the property acquisition liability, the creditor maintained a first and fixed charge on all of the assets transferred to Pulse. The loan was secured by the Company's assets, was non-interest bearing and matured on March 1, 2024. The present value of the property acquisition liability was calculated using a discount rate of 2.00%.

On February 19, 2020, the remaining \$1,000,000 outstanding was increased to \$1,109,930, payable by 36 monthly payments of \$30,831 due on the first day of each month commencing on April 1, 2020. Three payments of \$15,000 were paid on July 1, 2021, August 1, 2021 and September 1, 2021. On October 1, 2021, 30 monthly payments of \$31,932 commenced with the final principal payment being made on March 1, 2024.

On June 5, 2025, the Company completed two loan facility agreements with related parties to the Company, whereby the Lenders have agreed to loan to the Company, in aggregate, the sum of \$2,250,000. The agreements provide the principal bears interest at the rate of 15% per annum, compounded monthly, with fixed partial interest payments being made on a quarterly basis starting on September 30, 2025 in the amount of \$10,000 with the remaining interest and principal being repayable on the earlier of June 4, 2027. In connection with the loan, Pulse will pay an establishment fee in the amount of \$112,500, being 5% of the amount of each facility to be added to the principal and bearing interest at the interest rate.

8. SHARE CAPITAL AND WARRANTS

(a) **Authorized**

At September 30, 2025 and 2024, the Company's authorized share capital consisted of an unlimited number of common shares without par value.

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(b) **Changes in share capital**

Period ended September 30, 2025

At September 30, 2025, Pulse has 623,465,656 common shares outstanding.

Year ended December 31, 2024

During the year ended December 31, 2024, the Company had the following transaction:

On January 23, 2024, 103,910,942 common shares were issued for aggregate proceeds of \$4,156,438. The company incurred share issuance costs totaling \$641,758, which included \$549,115 in warrants and \$92,643 in professional fees.

At December 31, 2024, Pulse has 623,465,656 common shares outstanding.

Year ended December 31, 2023

During the year ended December 31, 2023, the Company had the following transaction:

2,250,000 warrants were exercised for gross proceeds of \$146,250.

On May 16, 2023, the Company was granted an extension on the expiry date of the 211,870,000 outstanding share purchase warrants to November 16, 2023. On November 16, 2023, the 211,870,000 outstanding share purchase warrants expired.

At December 31, 2023, Pulse has 519,554,714 common shares outstanding.

(b) **Warrants**

As at September 30, 2025, the company had 54,550,000 warrants outstanding (2024 – 54,550,000) as follows:

	Warrants	
	Number Outstanding	Weighted Average Exercise Price \$
Outstanding September 30, 2023	249,370,000	0.063
Issued	17,050,000	0.05
Expired	211,870,000	0.065
Outstanding September 30, 2024	54,550,000	0.05
Outstanding September 30, 2025	54,550,000	0.05

The weighted average remaining life on the warrants at September 30, 2025 was 1.43 years.

- (1) During the year ended December 31, 2023, 2,250,000 warrants were exercised for gross proceeds of \$146,250.
- (2) On May 16, 2023, the Company was granted an extension on the expiry date of the 211,870,000 outstanding share purchase warrants to November 16, 2023. On November 16, 2023, the 211,870,000 outstanding share purchase warrants expired.

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- (3) On January 23, 2024, the Company granted 17,050,000 warrants for services provided in connection with the issuance of shares. A Black-Scholes calculation was used to value the warrants at \$549,115. The following assumptions were used: With the following assumptions: stock price of \$0.04, exercise price of the option at \$0.05, expected life of 5 years, risk-free interest rate at 3.43%, and volatility at 117.25%. The warrants were treated as a share issue cost.

(c) **Stock options and share-based compensation**

As at September 30, 2025 and 2024, there were no stock options outstanding.

9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has identified all of the directors and senior officers as its key management personnel. The Company made payment of \$56,250 to another company controlled by another director for financial advisory services.

All amounts below are due to related parties are unsecured, bear no interest and are due on demand.

Below is a summary of key management compensation:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
	\$	\$	\$	\$
Salaries paid to the CEO	70,000	70,000	210,000	186,667
Management fees paid to the COO and CFO	86,250	86,250	258,750	235,417
Fees paid to directors	-	1,500	-	10,500
	156,250	157,750	468,750	432,584

10. EARNINGS PER SHARE

The calculations for basic earnings per share and diluted earnings per share are as follows:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
	\$	\$	\$	\$
Net income (loss) for the period	(158,769)	122,666	(355,808)	839,074
Basic weighted average number of shares outstanding	623,465,656	623,465,656	623,465,656	622,752,935
Diluted weighted average number of shares outstanding	623,465,656	623,465,656	623,465,656	622,752,935
Basic and diluted earnings per share	(0.00)	0.00	(0.00)	0.00

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11. ACCOUNTS RECEIVABLE

As at September 30, 2025 and December 31, 2024, accounts receivable consists of:

	September 30, 2025	December 31, 2024
	\$	\$
Trade receivables	167,652	333,969
	167,852	333,969

As at September 30, 2025, the Company has not recorded any allowance for doubtful accounts (December 31, 2024 - \$nil).

12. FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

As at September 30, 2025, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	September 30, 2025	December 31, 2024
Cash and cash equivalents	FVTPL	398,043	1,086,450
Accounts receivable	Amortized cost	167,652	333,969
Accounts payable	Amortized cost	1,382,270	2,005,024

Fair value of financial instruments

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 on a recurring basis 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.

As at September 30, 2025 and December 31, 2024, Cash and cash equivalents of \$398,043 and \$1,086,450 were measured at fair value on a recurring basis and classified as Level 1.

The fair value of the Company's other financial instruments approximates their carrying value as at September 30, 2025 and 2024 because of the demand nature or short-term maturity of these instruments.

Financial instruments and risk management

The Company is exposed to various risks that arise from its business environment and the financial instruments it holds. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk exposures and explains how these risks and its capital structure are managed.

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Capital management

The Company's objective is to maintain its capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it, as it is able to, in light of changing economic conditions and the risks associated with working within the oil and natural gas industry. The Company considers its capital structure to include shareholders' equity. In order to maintain or adjust the capital structure, the Company may all components of issue shares, issue debentures or obtain new credit facilities.

In order to facilitate the management of its capital structure, the Company prepares annual capital expenditure budgets, which are updated throughout the year depending on a variety of factors such as current and forecast prices, actual capital deployment and general industry conditions. There has been no change to this approach for the year.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure, as far as reasonable, that it will have sufficient liquidity to meet its liabilities when they come due. Typically, the Company will ensure that it has sufficient cash on hand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. To achieve this objective, the Company's use of capital expenditure budgets, cash flow forecasts and authorizations for expenditures on both operated and non-operated projects assist the Company in management of liquidity risk.

The Company may need to seek a combination of debt, equity and asset divestitures to meet its operational requirements. As at September 30, 2025, the company has cash of \$398,043 (December 31, 2024 - \$1,086,450) to meet its current liabilities of \$1,382,270 (December 31, 2024 - \$2,005,024).

Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2025 are as follows:

	<1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	\$ 1,382,270	—	—	—	\$ 1,382,270
Loan facility	—	2,387,833	—	—	2,387,833
	\$ 1,382,270	2,387,833	—	—	\$ 3,770,103

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial assets subject to credit risk include cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with Canadian banks, and the Company does not believe cash and cash equivalents would be subject to material credit risk. Accounts receivable credit risk arises principally from sales of oil and gas products to various customers. On entering into any business contract, the extent to which the arrangement exposes the Company to credit risk is considered. The Company's policy to mitigate credit risk associated with these balances is to establish relationships with reputable counterparties.

The creditworthiness of new counterparties is assessed and in some instances the Company may require new counterparties to obtain a letter of credit or provide an advance of funds. Receivables from petroleum and natural gas sales are normally collected on the 25th day of the month following production. In addition, future risk exists with potential partners; as disagreements occasionally arise that increase the potential for non-collection. The Company does not typically obtain collateral from oil and gas product customers. The Company's maximum exposure to credit risk at September 30, 2025 is in respect of cash and cash equivalents and trade receivables of \$167,652 (December 31, 2024 - \$333,969). As at September 30, 2025, no provision for expected credit losses has been recorded December 31, 2024 - \$nil).

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Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Prices for oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar, but also world economic events that can affect supply and demand levels. Changes in commodity prices can expose the Company to fluctuations in its net earnings. Commodity prices changes will impact revenues and impairment amounts calculated. The Company does not have any commodity price or foreign currency hedge contracts in place.

A 5% change in commodity prices for oil and gas would result in an increase or decrease in oil and gas sales of approximately \$155,000 based on historical production volumes.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at September 30, 2025, the Company is not exposed to significant interest rate risk.

13. OIL AND GAS SALES

During the period ended September 30, 2025, the Company had gross revenues from oil and gas sales of \$2,827,507 (September 30, 2024 - \$3,750,097). These revenues were derived wholly from the Company's Alberta oil and gas interests.

Period Ended	September 30, 2025	September 30, 2024
	\$	\$
Crude oil	2,468,446	3,379,094
Natural gas	125,997	108,057
Natural gas liquid	233,064	262,946
Oil and gas sales	2,827,507	3,750,097

14. DEPOSITS

During the year ended December 31, 2022, the Company paid a refundable deposit of \$3,543,000 to a vendor to secure an ongoing supply of solvent for use in the Company's Enhanced Oil Recovery ("EOR") project in the Bigoray area of Alberta, Canada. As at September 30, 2025, the Company had \$795,960 remaining on the deposit. The total amount capitalized during the period ended September 30, 2025, was \$1,197,804 (September 30, 2024 - \$799,058).