



FOURTH QUARTER 2024  
ANNUAL MANAGEMENT'S DISCUSSION AND  
ANALYSIS – QUARTERLY HIGHLIGHTS

Dated May 21, 2025

FOR THE YEAR ENDED DECEMBER 31, 2024



## Pulse Oil's Fourth Quarter 2024 Management's Discussion and Analysis

### Overview

The following is management's discussion and analysis ("MD&A") of the consolidated financial position and consolidated results of operations of Pulse Oil Corp. (the "Company" or "Pulse") for the year ended December 31, 2024 and to the date of this report on May 21, 2025. This MD&A should be read in conjunction with Pulse's audited consolidated financial statements for the year ended December 31, 2024 and the notes thereto (the "2024 Financial Statements"). Pulse's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Results for the fiscal year ended December 31, 2024 are not necessarily indicative of future results. All dollar amounts included in the following MD&A are expressed in Canadian dollars. Readers are cautioned that this MD&A contains "non-IFRS measures" and "forward-looking statements" which are discussed at the end of this MD&A.

Additional information regarding Pulse and its activities is available under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), or by requesting further information from Pulse's head office located in Vancouver, British Columbia, Canada by emailing [info@pulseoilcorp.com](mailto:info@pulseoilcorp.com).

### Description of Business

Pulse is the owner and operator of proven producing oil and gas assets in Alberta with significant opportunity to increase production, reserves and cashflow through a well planned, safe and technically diligent work program. Pulse currently trades on the TSX Venture Exchange ("TSXV") under the symbol "PUL". Pulse was able to initiate the Enhanced Oil Recovery ("EOR") program in December 2022 after several years of planning and implementation. Since the start of this project, the Company has been working to improve the efficiency of the flood and install the necessary infrastructure required to handle the increased volumes that will be associated with an EOR flood over the upcoming years. The Pulse technical team has confirmed that the solvent injection program is moving through the Nisku D reef as expected and we are starting to see technical results occurring. Continuing solvent injection and the rate of solvent injection are dependent on sufficient cashflow and/or working capital. Pulse will continue to work on developing a plan whereby the EOR programme is self-funding.

## Highlights of this MD&A

Pulse will discuss its key updates relating to its oil and gas assets in Alberta and will discuss the Company's business plan, financial resources, and its updated share capital.

### 2024 Overview

- McDaniel, a qualified independent reserves evaluator in accordance with National Instrument 51-101 and the COGE Handbook, completed their independent reserves assessment (the "Assessment") on Pulse's interests within the Bigoray and Queenstown core operating areas as at December 31, 2023. The Assessment was effective December 31, 2023 and resulted in a pre-tax net present value of \$76.95 million for Pulse's proved plus probable ("2p") reserves and \$41.73 million for Pulse's proved ("1p") reserves, using a 10% discount rate to Pulse's net working interest. This represents an increase in the value of 1p reserves of 38.1% and an increase in the value of 2p reserves of 71.6% when compared to December 31, 2022.
- Pulse announced the closing of its rights offering with the issuance of 103,910,942 Common Shares, the full amount of the rights offering, at a price of \$0.04 per Common Share for aggregate gross proceeds of \$4,156,437.
- The Company was able to re-complete a previously drilled well in Pulse's Bigoray Nisku E pool. The activity has allowed access to additional reserves in the Nisku E pool, as well as an improvement in production and cash-flow.
- The Company also completed the drilling of a new well into the Bigoray Nisku D pool. This new well was drilled with the intention of accessing the progress achieved through the EOR program. Initial testing of the well produced laboratory results that have demonstrated that the EOR solvent is progressing through the reef faster than the Company had been modelling. Having said that, solvent injection is intermittent throughout the year to date based on limited cashflow.
- The Company has also completed additional infrastructure in the Bigoray area to tie in certain wells to Pulse's existing production facility. Work was also completed to improve the overall efficiency of the reef through the addition of an additional water injection well that currently is in operation.
- On May 29, 2024, Dr. Douglas Ellenor resigned from the Company's Board of Directors. Pulse would like to thank Douglas for all his many contributions over his time with the Company and wish him well in his retirement.
- On September 30, 2024, Drew Cadenhead resigned from the Company's Board of Directors. Pulse would like to thank Drew for all his many contributions over his time with the Company and wish him well in his retirement.

## 2025 Overview to Date

- McDaniel, a qualified independent reserves evaluator in accordance with National Instrument 51-101 and the COGE Handbook, completed their independent reserves assessment (the “Assessment”) on Pulse’s interests within the Bigoray and Queenstown core operating areas as at December 31, 2024. The Assessment was effective December 31, 2024 and resulted in a pre-tax net present value of \$57.6 million for Pulse’s proved plus probable (“2p”) reserves and \$33.9 million for Pulse’s proved (“1p”) reserves, using a 10% discount rate to Pulse’s net working interest. This represents a decrease in the value of 1p reserves of 18.7% and a decrease in the value of 2p reserves of 25.1% when compared to December 31, 2023.
- The Company has acquired an existing water injection well that will be utilized by the Company to further the progress of the EOR into the E-pool. Additionally, the Company has reactivated a well in its Queenstown field.

## Fourth Quarter and Annual Discussion of Operations

Operations, for the year ended December 31, 2024, and subsequent, have been focused on the planning and implementation of its capital development program that was completed in Q1 2024. The Company was able to close its previously announce rights offering in January 2024 to fund the drilling and completion of one new well and re-completion of a previously drilled well. These new wells were able to help the company to improve its production and cash-flow throughout the year.

Production from its Queenstown field was steady throughout the 2024 fiscal year and had an exit production of approximately 45 boe/d. The production for its Bigoray field was a little more volatile throughout the year with changes to the wells that were on production. The exit production from the field was approximately 160 boe/d and has subsequently stabilized at approximately 165 boe/d.

### ***Bigoray Assets (100% owned and operated):***

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 3,816,483 BOE (NPV10: \$56,232,300) as of December 31, 2024 and 3,941 net acres of land.

Pulse spent most of the year working on improving the efficiency of the EOR injection that started in December 2022. Subsequently, planning was completed to prepare for a new drilling operation and well re-completion that was completed in Q1. The work that was completed, particularly the drilling operation, was able to validate the success of the EOR flood progressing through the Nisku D pool. As of the date of the report, the company has

extended its solvent supply agreement for the upcoming years to ensure a constant supply of solvent for the duration of the EOR project, as well as planning for additional improvements to the efficiency of the EOR.

***Queenstown Assets (100% interest and operator):***

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 154,667 BOE (NPV10: \$1,403,200) as of December 31, 2024 and consist of 4,771 net acres of land. The production from these assets remained consistent through most of the year. The current plans for the Queenstown field are to maintain production moving forward through well optimization work, with a well reactivated subsequent to the year end.

## Update to the Corporate Reserves

In accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) and the Canadian Oil and Gas Evaluation Handbook, Pulse engaged qualified independent reserves evaluator McDaniel & Associates Consultants Ltd. to prepare a report on the reserves of the Queenstown and Bigoray core operating areas for the Fiscal Year 2024 (“FY2024”).

The assessments were effective December 31, 2024 and resulted in pre-tax net present values of \$57.6 million (FY2023: \$76.95 million) proven plus probable (“2p”) reserves and \$33.9 million (FY2023: \$41.73 million) proven (“1p”) reserves, using a 10% discount rate to Pulse’s net working interest. The Bigoray and Queenstown Reserves are detailed as follows and are not described on a BOE basis:

Property Description	Proved (1P) (MBOE)	Proved & Probable (2P) (MBOE)	Proved: NPV10 <sup>(3)</sup>	Proved & Probable: NPV10 <sup>(3)</sup>
Bigoray Assets <sup>(1,2)</sup>	2,618.9	3,816.5	33,999,100	56,232,300
Queenstown Assets <sup>(1)</sup>	55.7	154.6	(80,500)	1,403,200
<b>Total</b>	<b>2,674.6</b>	<b>3,971.1</b>	<b>33,918,600</b>	<b>57,635,500</b>

- NPV10’s use forecast pricing and costs based on the opinion of the independent reserve evaluator of the future crude oil, natural gas and natural gas product prices on the effective date of the reserve evaluation and escalate annually at a rate of 2% per year, in Canadian dollars. The forecast of commodity prices used can be found at <http://www.mcdan.com/priceforecast>
- Pulse’s summary does not include any estimates on new potential reserves from planned Bigoray EOR project, nor Duvernay Shale, Cardium or Pekisko upside.

A complete breakdown of reserves and net present value information can be found in the Company's Form 51-101F1 – *Statement of Reserves Data and Other Oil and Gas Information* as at December 31, 2024, that can be viewed in the Company's fiscal 2024 Annual Information Form on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

<b>Selected Annual Information</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Oil and gas sales	\$ 5,377,530	\$ 4,259,293	\$ 5,932,986
Revenue from commodity sales, net	\$ 4,687,887	\$ 2,984,676	\$ 5,727,987
Net income (loss) from continuing operations	\$ (4,279,600)	\$ (1,697,515)	\$ 1,580,170
Net gain (loss) per share from continuing operations	\$ (0.01)	\$ (0.00)	\$ 0.00
Cash-flow from operating activities	\$ 2,242,490	\$ 1,448,928	\$ 2,217,762
Cash-flow from (used in) financing activities	\$ 3,967,999	\$ (249,354)	\$ 10,255,628
Cash-flow used in investing activities	\$ (5,352,013)	\$ (5,270,121)	\$ (8,320,473)

<b>Summary of Quarterly Results</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>
Oil and gas sales	\$ 1,627,434	\$ 1,122,510	\$ 1,517,438	\$ 1,110,148
Net income (loss) from continuing operations	\$ (3,440,526)	\$ 122,666	\$ 490,408	\$ 226,000
Net income (loss) per share from continuing operations	\$ (0.00)	\$ 0.00	\$ 0.00	\$ 0.00
Cash-flow from (used in) operating activities	\$ 919,994	\$ 546,714	\$ 180,166	\$ 595,616
Cash-flow provided by (used in)	\$ -	\$ -	\$ (88)	\$ 3,968,087

financing activities				
Cash-flow used in investing activities	\$ (117,019)	\$ (694,361)	\$ (711,927)	\$ (3,828,706)
Change in cash during the period	\$ 802,976	\$ (147,648)	\$ (531,849)	\$ 734,997
Cash	\$ 1,086,450	\$ 283,474	\$ 431,122	\$ 962,971
Total assets	\$ 29,559,092	\$ 34,210,841	\$ 34,492,679	\$ 34,285,380
Total non-current financial liabilities	\$ 3,099,422	\$ 2,153,396	\$ 2,153,396	\$ 2,153,396
Total liabilities	\$ 5,104,446	\$ 4,637,521	\$ 5,042,025	\$ 5,325,046
Deficit	\$ (12,447,708)	\$ (7,329,034)	\$ (7,451,700)	\$ (7,942,108)

**Summary of Quarterly Results**                      **Q4 2023**                      **Q3 2023**                      **Q2 2023**                      **Q1 2023**  
**(Continued)**

Revenue (gross)	\$ 1,799,711	\$ 774,284	\$ 733,328	\$ 951,970
Net gain (loss) from continuing operations	\$ (1,664,298)	\$ 5,911	\$ (74,429)	\$ 35,301
Net gain (loss) per share from continuing operations	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Cash-flow from (used in) operating activities	\$ 2,242,261	\$ 813,399	\$ (688,053)	\$ (918,679)
Cash-flow used in financing activities	\$ (108,216)	\$ (95,797)	\$ (95,796)	\$ 50,453
Cash-flow used in investing activities	\$ (2,637,399)	\$ (1,327,489)	\$ (802,110)	\$ (503,123)
Increase (decrease) in cash during the period	\$ (502,352)	\$ (609,889)	\$ (1,585,959)	\$ 1,371,348
Cash	\$ 227,974	\$ 731,326	\$ 1,341,215	\$ 2,927,174

Total assets	\$ 28,716,896	\$ 30,163,515	\$ 29,976,347	\$ 31,037,600
Total non-current financial liabilities	\$ 1,893,049	\$ 2,837,511	\$ 2,837,511	\$ 2,837,511
Total liabilities	\$ 4,046,445	\$ 3,816,344	\$ 3,635,089	\$ 4,621,913
Deficit	\$ (8,168,108)	\$ (6,503,808)	\$ (6,509,721)	\$ (6,435,292)

As of December 31, 2024, Pulse had working capital deficit of \$55,880 compared to working capital deficit of \$291,696 as at December 31, 2023. The Company has been diligent with its available funds to improve the working capital position throughout the year. The company will remain diligent with its use of funds to be able to continue to invest into its EOR project for the upcoming years.

The commodity prices were a little more volatile throughout 2024, but did remain strong throughout the year. Pulse management feel that the variations in quarterly information in compared to 2023 and to the other quarters within 2024 meet managements expectations for the periods. The Company did experience increases in both revenues and operating expenses due to the increase in production that was associated with the addition of the new drilled well and the reactivation of a well in the E-pool. The company intends to increase the injection of solvent moving forward to continue to progress the EOR.

As of the date of this report, the production and associated revenues have been steady for the first quarter of 2025 and the Company believes that the rates will begin to increase following the re-start of solvent injection. The forecast is for revenue and cash flow to continue to grow throughout 2025 and into future years.

For each of the three most recently completed years, the financial data has been prepared in accordance with the accounting policies summarized in Note 3 of the 2024 Financial Statements.

## Liquidity and Capital Resources

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Cash	\$ 1,086,450	\$ 227,974	\$ 4,298,522

Working capital	\$ (55,880)	\$ (291,696)	\$ 5,519,899
Cash-flow from operating activities	\$ 2,242,490	\$ 1,448,928	\$ 2,217,762
Property acquisition liability	\$ -	\$ 95,265	\$ 472,640

Pulse is being prudent in evaluating any changes in the current pricing of oil and gas to ensure that all business decisions are being completed with the understanding of the current cash flow of the Company. The Company's operational plan is in place to continue to use cash flow from operations but will require Pulse to continue to explore additional funding opportunities. The Company is continuing to work with investors to access the necessary capital to be able to fund the continued operation of the EOR project. The Company intends to use any additional financing proceeds to further the EOR project development for the next several years. All currently planned capital projects for 2025 are related to development requirements for the EOR.

Pulse's short and long-term plans are heavily dependent on Pulse's ability to continue to fund the Bigoray EOR project, combined with cost-effective options to growing production rates and cashflow from existing wells.

## Share Capital

During the year ended December 31, 2022, 214,120,000 units, consisting of one common share and one common share purchase warrant exercisable for a period of one year were issued as part of a non-brokered financing. At December 31, 2022, there were 517,304,714 common shares outstanding (fully diluted: 768,924,714).

During the year ended December 31, 2023, 2,250,000 warrants were exercised and 211,870,000 purchase warrants expired. At December 31, 2023, there were 519,554,714 common shares outstanding (fully diluted 557,054,714).

During the year ended December 31, 2024, Pulse completed a rights offering that issued 103,910,942 common shares for aggregate gross proceeds of \$4,156,438. Additionally, as part of a standby guarantee associated with the offering, 17,050,000 warrants were issued. At December 31, 2024, there were 623,465,656 common shares (fully diluted: 678,015,656).

Pulse's authorized share capital consists of one class of shares, being common shares.

For more information related to Pulse's share capital, please refer to Note 8 and Note 10 of the accompanying consolidated financial statements for the period ended December 31, 2024.

## Commitments and Contingencies

As at December 31, 2024 the Company has nil commitments outstanding.

## Related Party Transactions:

As required under IAS 24, related party transactions include compensation paid to the Company's CEO, COO and CFO, as well as to the remaining board of directors (the "Board") as part of the ordinary course of Pulse's business. Pulse is of the view that the amounts incurred for services provided by related parties approximates what Pulse would incur to arms-length parties for the same services.

Description	2024	Q4 2024	2023	Q4 2023
Salaries paid to the CEO	\$ 256,667	\$ 70,000	\$ 210,000	\$ 52,500
Management fees paid to the CFO and COO	321,667	86,250	278,780	68,750
Management fees paid to directors	10,500	-	20,258	-
	\$ 588,834	\$ 156,250	\$ 509,038	\$121,250

Pulse reports that no other related party transactions have occurred during the year ended December 31, 2024. Please also refer to note 9 of the accompanying consolidated financial statements for the year ended December 31, 2024.

## Annual and Special Meeting

Pulse's latest annual and special meeting of shareholders was held on September 27, 2024, in Vancouver, British Columbia. All proposed resolutions were passed.

## Risk Factors

Readers should refer to the risk factors summarized under the heading “*Risk Factors*” in the Company’s fiscal 2024 Annual Information Form which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

Pulse’s management team conducts focused strategic planning and has identified the key risks, uncertainties and opportunities associated with the Company’s business that can affect its financial results. These key risks and uncertainties include, but are not limited to, the following:

### ***RESERVES AND RESOURCE ESTIMATES***

Pulse’s exploration and production activities are concentrated in the Western Canada Sedimentary Basin, where the industry is very competitive. There are a number of risks facing participants in the oil and natural gas industry, some of which are common to all businesses, while others are specific to the sector. These include risks such as finding and developing oil and natural gas reserves economically, geological risk, estimating reserves, producing the reserves in commercial quantities, finding a suitable market at attractive commodity prices, financial and liquidity risks, and environmental and safety risks. Pulse’s future oil and natural gas reserves and production and, therefore, its cash flows, will be highly dependent on the Company’s success in exploiting its reserve base, executing a successful exploration program and acquiring additional reserves.

The Company mitigates the risk of finding and developing economical oil and natural gas reserves by utilizing a team of highly qualified professionals with expertise and experience in these areas. Pulse attempts to maximize drilling success by exploring areas that have multi-zone opportunities, including targeting deeper horizons with uphole potential, continuously assessing new acquisition opportunities to complement existing activities and, depending on the scope of the resource, balancing higher-risk exploratory drilling with lower risk development drilling.

Beyond exploration risk, there is the potential that the Company’s oil and natural gas reserves may not be economically produced at prevailing prices. Pulse minimizes this risk by generating exploration prospects internally, targeting high quality projects, operating projects, and by attempting to access sales markets through Company owned infrastructure or mid-stream operators.

Pulse has retained independent reserves evaluators that assist the Company in evaluating oil and natural gas reserves. Reserve values are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and governmental regulation. The reserves and recovery information contained in the independent reserves evaluation is an estimate.

The actual production and ultimate reserves from the properties may be greater or less than the estimates prepared by the independent reserves evaluator.

Estimates of the Company's reserves and the net present value of future net revenue attributable to the Company's reserves as at December 31, 2024 are based upon the report that was prepared by McDaniel and Associates Consultants Ltd. The estimates of reserves provided in this document are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided in this in this document, and the differences may be material. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Estimates of net present value of future net revenue attributable to the Company's reserves do not represent the fair market value of the Company's reserves and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by McDaniel and Associates Consultants Ltd. in evaluating Pulse's reserves will be attained and variances could be material. See "Oil and Gas Metrics and Definitions" below for more details.

### ***OPERATIONAL MATTERS***

The operation of oil and natural gas wells involves a number of operating and natural hazards that may result in blowouts, environmental damage and other unexpected or dangerous conditions resulting in damage to Pulse and possible liability to third parties. Pulse has established an environmental, health and safety program and has updated its operational emergency response plan and operational safety manual to address these operational issues. Pulse maintains a comprehensive insurance plan, which includes liability insurance, where available, in amounts consistent with industry standards, to the extent that such insurance is available, to mitigate risks and protect against significant losses where possible. Pulse may become liable for damages arising from such events

against which it cannot insure or against which it may elect not to insure because of high premiums or other reasons. Pulse operates in accordance with all applicable environmental legislation and strives to maintain compliance with such regulations.

Pulse's mandate includes the ongoing development of procedures, standards and systems to allow Pulse staff to make the best decisions possible and to ensure that those decisions are in compliance with the Company's environmental, health and safety policies. Although management takes all reasonable steps to verify and ensure title to properties in which Pulse has an interest in, management can provide no assurance that there will be no title disputes or undetected deficiencies in title.

The Company's production processed through facilities owned by third parties may be affected as these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a materially adverse effect on Pulse's ability to process its production and deliver the same for sale.

### ***COMMODITY PRICE RISK***

Commodity prices for petroleum and natural gas are impacted by global economic events that dictate the levels of supply and demand, as well as the relationship between the Canadian dollar and the U.S. dollar.

Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in case of Alberta, the provincial level and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. In addition, the inability to obtain the necessary approvals to build pipelines and other facilities to provide the oil and gas industry in Western Canada better access to markets has led to additional uncertainty and reduced confidence in the oil and gas industry in Western Canada.

The economics of producing from some wells has changed and is anticipated to continue to change as a result of lower commodity prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of the Company's reserves. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

The Company might also elect not to produce from certain wells due to a prolonged period of adverse market conditions. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Given the current market conditions in the Canadian oil and gas industry, the Company may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavorable and highly dilutive terms. The Company does not have any financial risk management contracts in place at December 31, 2024 to manage these risks (December 31, 2023 – none).

#### ***INTEREST RATE RISK***

The Company's exposure to fluctuations in interest on its net (loss) income and comprehensive (loss) income, assuming reasonably possible changes in the variable interest rate of +/- 1%, is insignificant. This analysis assumes all other variables remain constant.

#### ***FOREIGN EXCHANGE RISK***

The Company is exposed to foreign currency fluctuations as oil and gas prices received.

#### ***CREDIT RISK***

The Company's credit risk exposure is related to accounts receivables, joint interest billings, goods and services tax receivable, and cash. As at December 31, 2024, the Company had \$333,969 net trade receivable. The Company's allowance for doubtful accounts at December 31, 2024, was Nil (December 31, 2023 - Nil). The Company expects to collect all other outstanding receivables. The Company retains its cash deposits with highly

reputable financial institutions. At December 31, 2024 and 2023, all cash was held with large Canadian financial institutions.

### ***LIQUIDITY RISK***

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon these financing activities, supplemented by operating cash flows.

### ***CAPITAL MANAGEMENT***

The Company's primary objectives in managing its capital structure are to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable level of risk, which maintains sufficient liquidity to support ongoing operations, capital expenditure programs, and strategic initiatives, and which maximizes shareholder returns. The Company manages its capital structure to support current and future business plans and periodically adjusts the structure in response to changes in economic conditions and the risk characteristics of the Company's underlying assets and operations.

The Company monitors metrics such as the Company's debt-to-equity and debt-to-cash flow ratios, among others to measure the status of its capital structure. The Company has currently not established fixed quantitative thresholds for such metrics. Depending on market conditions, the Company's capital structure may be adjusted by issuing or repurchasing shares, issuing or repurchasing debt, refinancing existing debt modifying capital spending programs and disposing of assets. The Company considers its capital structure to include shareholders' equity.

The oil and natural gas industry is a very capital-intensive industry, and in order to fully realize the Company's strategic goals and business plans, Pulse will rely on equity markets as a source of new capital in addition to bank financing and internally generated cash flow to fund its ongoing capital investments. Pulse's ability to raise additional capital will depend on a number of factors that are beyond the Company's control, such as general economic and market conditions. Internally generated funds will also fluctuate with changing commodity prices.

### ***CHANGES IN INCOME TAX LEGISLATION***

In the future, income tax laws or other laws may be changed or interpreted in a manner that adversely affects Pulse or its shareholders. Tax authorities having jurisdiction over Pulse or its shareholders may disagree with how Pulse calculates its income for tax purposes to the detriment of Pulse and its shareholders.

### ***ENVIRONMENTAL CONCERNS***

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean-up orders in respect of Pulse or its working interests. Such legislation may be changed to impose higher standards and potentially more costly obligations to Pulse. Pulse focuses on conducting transparent, safe and responsible operations in the communities in which it operates.

### ***PROJECT RISKS***

Pulse's ability to execute projects and market oil and natural gas depends on numerous factors beyond its control, including the availability of processing capacity, availability and proximity of pipeline capacity, availability of storage capacity, supply of and demand for oil and natural gas, availability of alternative fuel sources, effects of inclement weather, availability of drilling and related equipment, unexpected cost increases, accidental events, change in regulations, and availability and productivity of skilled labour. Because of these factors, Pulse may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

### **Basis of Presentation**

The 2024 Financial Statements have been prepared on a historical cost basis, except for financial instruments, which are classified as fair value through profit or loss. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies have been applied consistently to all periods presented in the audited consolidated financial statements. The Company's financial statements are presented in Canadian dollars, which is the functional currency of the Company.

## Critical Accounting Estimates

The timely preparation of financial statements and the financial information contained in this MD&A requires that management make estimates and assumptions and use judgment regarding assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

New events or additional information may result in the revision of these estimates over time. Examples of these estimates include but are not limited to estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and costs have not yet been received; estimated capital expenditures on projects that are in progress; estimated fair values of financial instruments that are subject to fluctuation depending on underlying commodity prices, foreign exchange rates and interest rates, volatility curves and the risk of non-performance; estimated value of decommissioning liabilities that depend on estimates of future costs and timing of expenditures; estimated future recoverable value of property and equipment and any associated impairment charges or recoveries; DD&A; and estimated compensation expense under Pulse's share-based compensation plan.

Pulse has hired individuals and consultants who have the skills required to make such estimates and ensure that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budget in order to make more informed decisions on future estimates. For further information on certain estimates inherent in the financial statements, refer to Note 2 of the 2024 Financial Statements.

A number of the Company's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

## Exploration and Evaluation Assets and Property and Equipment

The fair value of property and equipment recognized in a business combination is based on market values. The market value of property and equipment is the estimated amount for which property and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The market value of petroleum and natural gas properties included in property and equipment and exploration and evaluation assets is estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. The market value of other items of property and equipment is based on the quoted market prices for similar items.

## Cash, Accounts Receivable, Deposits and Accounts Payable and Accrued Liabilities

The fair value of cash, accounts receivable, deposits and accounts payable and accrued liabilities approximated their carrying value at December 31, 2024.

The Company classifies the fair value of these transactions according to the following hierarchy based on the nature of the observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide continuous pricing information. Cash is measured at fair value using level 1 fair value inputs.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations are derived from inputs that are not based on observable market data. Investments in securities are measured at fair value using level 3 fair value inputs.

The Company is exposed to various financial instrument risks and management proactively assesses the potential impact and the likelihood of this exposure. These risks include commodity price risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. When material, these risks are reviewed and monitored by the Board. See Note 12 of the 2024 Financial statements.

## Management's Responsibility for Financial Statements

Information provided in this MD&A, including information from the audited consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the 2024 Financial Statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## Off-Balance Sheet Arrangements

Pulse has certain arrangements, all of which are reflected in the contingencies and commitments table, which were entered into in the normal course of operations. All leases have been treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease.

## Non-IFRS Financial Measures

This MD&A contains references to funds used in operations, cash provided by (used in) operations per share, and operating netback; which are not defined under IFRS as issued by the International Accounting Standards Board. These measures are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other issuers. Management of Pulse believes funds used in operations, cash provided by (used in) operations per share, and operating netback are relevant indicators of Pulse's financial performance and its ability to fund future capital expenditures.

Funds used in operations and operating netback should not be considered an alternative to or more meaningful than cash flow from operating activities, as determined in accordance with IFRS, as an indicator of Pulse's performance. Readers should refer to the "*Operating Netback and Funds Used in Operations*" heading above for a reconciliation of operating netback and funds used in operations to cash from operating activities, the most comparable measure calculated in accordance with IFRS.

## Oil and Gas Metrics and Definitions

Production information is commonly reported in units of barrel of oil equivalent ("boe"). For purposes of computing such units, natural gas is converted to equivalent barrels of oil using a conversion factor of six thousand cubic feet to one barrel of oil (6:1). This conversion ratio of 6:1 is based on an energy equivalency conversion method primary applicable at the burner tip and does not represent a value equivalency at the wellhead. Such disclosure of boe's may be misleading, particularly if used in isolation. Additionally, given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value. Readers should be aware that historical results are not necessarily indicative of future performance. Natural gas production is expressed in thousand cubic feet ("mcf"). Oil and natural gas liquids are expressed in barrels ("bbls").

Terms that are used in this MD&A that are not otherwise defined herein are provided below:

Developed producing reserves are those gross reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Developed reserves are those gross reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be sub-divided into producing and non-producing.

Discovered Petroleum-initially-in-place is that quantity of petroleum, which is estimated, on a given date, to be contained in known accumulations, plus those quantities already produced therefrom.

Gross means (i) in relation to the Company's interest in production or reserves, its "company gross reserves", which are the Company's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company; and (ii) in relation to wells, the total number of wells in which the Company has an interest.

Net means, in relation to the Company's interest in wells or lands, the number of wells obtained by aggregating the Company's working interest in each of its gross wells.

Probable reserves are those additional gross reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Proved reserves are those gross reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

Amplitude versus offset is the general term for referring to the dependency of the seismic attribute, amplitude, with the distance between the source and receiver (the offset). AVO analysis is a technique that geophysicists can execute on seismic data to determine a rock's fluid content, porosity, density or seismic velocity, shear wave information and fluid indicators.

## Changes in Accounting Policies including Initial Adoption

There were no new and amended accounting standards and interpretations mandatorily effective for accounting periods that begin on or after January 1, 2024 that are relevant to the financial reporting of the Company.

## Proposed Transactions

There are no proposed transactions not already disclosed elsewhere in this MD&A.

## Forward Looking Statements

The MD&A contains forward-looking information statements within the meaning of Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “assume”, “believe”, “estimate”, “expect”, “forecast”, “guidance”, “may”, “plan”, “predict”, “project”, “should”, “will”, or similar words suggesting future outcomes. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: business combinations, financing, agreements, transactions, oil and natural gas acquisition, reserves, enhanced oil recovery, oil and natural gas production estimates and targets; statements regarding BOE/d production capabilities; anticipated revenue from oil and gas fields; completing acquisitions, development and exploration and other activities; capital expenditure programs and estimates; plans to drill wells; plans to grow reserves, production, and cash-flow. Forward-looking statements and information concerning anticipated financial performance are based on management's assumptions using information currently available. Material factors or assumptions used to develop forward-looking information include that planned acquisitions will be completed, and assumptions as to development, enhanced oil recovery, financing, LLR, business combinations, drilling programs and results, construction operations and enhancements, potential business prospects, growth strategies, the ability to add production and reserves through acquisition, development and exploration activities, the ability to reduce costs and extend commitments, projected capital costs, government legislation, well performance, the ability to market production, the commodity price environment and quality differentials and exchange rates.

Management also assumes that in connection with the Bigoray Assets, its 100% owned subsidiary, Pulse Oil Operating Corp, will be able to work with the operator of the assets to maintain permit tenures in good standing, and that Pulse will be able to access equity capital when required and that Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Management also assumes that in connection with the Queenstown Assets, its 100% owned subsidiary, Pulse Oil Operating Corp as operator, will work to maintain permit tenures in good standing, and that Pulse will be able to access equity capital when required and that Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Although management considers its assumptions to be reasonable based on these factors, they may prove to be incorrect.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to: access to capital, commodity price volatility; well performance and marketability of production; transportation and refining availability and costs; exploration and development costs; enhanced oil recovery costs, infrastructure costs; the recoverability of reserves; reserves estimates and valuations; the Company's ability to add reserves through development and exploration activities; accessibility of services and equipment; fluctuations in currency exchange rates; and changes in government legislation and regulations.

The forward-looking statements contained herein are as of the date of this MD&A and are subject to change after this date. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive and as such undue reliance should not be placed on forward-looking statements. Except as required by applicable securities laws, with the exception of events or circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that was previously disclosed to the public, the Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Certain information in this MD&A may constitute “analogous information” as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, including, but not limited to, information relating to areas with similar geological characteristics to the lands held by the Company. Such information is derived from a variety of publicly available information from government sources, regulatory agencies, public databases or other industry participants (as at the date stated therein) that the Company believes are predominantly independent in nature. The Company believes this information is relevant as it helps to define the reservoir characteristics in which the Company may hold an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and in accordance with the COGE Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by the Company and there is no certainty that the reservoir data and economics information for the lands held by the Company will be similar to the information presented therein. The reader is cautioned that the data relied upon by the Company may be in error and/or may not be analogous to the Company’s land holdings.

Disclosure provided herein in respect of BOE (barrels of oil equivalent) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

### **Additional Information**

Additional information regarding Pulse and its activities is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on Pulse’s website at [www.pulseoilcorp.com](http://www.pulseoilcorp.com). Information can also be requested from Pulse’s head office located at Suite 500, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 3P6.

Board of Directors and Officers

Garth Johnson<sup>1</sup>, CGA / CPA

*Chief Executive Officer, Director*

Jack Doyle<sup>1</sup>

*Director*

Daniel Bolstad<sup>1</sup>

*Director*

Patrick Harrison

*Director*

Aaron Doyle, P.Eng., CPA / CMA

*Chief Financial Officer*

Darren Lehne

*Chief Operating Officer*

Notes

<sup>1</sup> *Member of the Audit Committee*

Stock Exchange Listing

TSX Venture Exchange

Common Share Trading Symbol: "PUL"

Legal Counsel

Owen Bird Law Corp.

Vancouver, BC

Parlee McLaws LLP

Edmonton, AB

Bankers

Bank of Montreal

Vancouver, BC

Auditors

MNP

Calgary, AB

Independent Reserves Evaluators

McDaniel and Associates

Consultants Ltd.

Calgary, AB



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