

Selected Financial and Operating Information

(thousands of dollars except per share data,
numbers of shares and kilometres of seismic data)

	Three months ended December 31,		Years ended December 31,	
	2024	2023	2024	2023
Revenue	5,576	16,861	23,379	39,127
Amortization of seismic data library	2,263	2,270	9,090	9,103
Net earnings	774	8,307	3,391	15,007
Per share basic and diluted	0.02	0.16	0.07	0.28
Cash provided by operating activities	2,337	7,001	14,195	23,524
Per share basic and diluted	0.05	0.13	0.28	0.44
EBITDA ^(a)	3,785	13,592	15,496	30,431
Per share basic and diluted ^(a)	0.07	0.26	0.30	0.57
Shareholder free cash flow ^(a)	2,440	10,946	12,408	24,829
Per basic and diluted ^(a)	0.05	0.21	0.24	0.47
Capital expenditures				
Seismic data	-	-	225	-
Property and equipment	-	-	45	28
Total capital expenditures	-	-	270	28
Dividends				
Regular dividends declared	763	724	3,018	2,862
Special dividend declared	-	10,527	2,548	18,519
Total dividends	763	11,251	5,566	21,381
Normal course issuer bid				
Number of shares purchased and cancelled	97,700	59,500	1,784,000	1,005,006
Cost of shares purchased and cancelled	227	112	3,880	1,943
Weighted average shares outstanding				
Basic and diluted	50,878,652	52,647,740	51,448,985	53,237,569
Shares outstanding at period-end			50,837,863	52,621,863
Seismic library				
2D in Kilometres			829,207	829,207
3D in square kilometres			65,310	65,310

Financial Position and Ratio

(thousands of dollars except ratio)

	December 31,	December 31,
	2024	2023
Working capital	9,222	7,468
Working capital ratio	5.1:1	1.5:1
Cash and cash equivalents	8,722	15,948
Total assets	21,516	41,249
EBITDA ^(a)	15,496	30,431
Shareholders' equity	18,295	25,655

^(a) These non-GAAP financial measures are defined, calculated, and reconciled to the nearest GAAP financial measures in the Management's Discussion and Analysis.

To the Shareholders of Pulse Seismic Inc.:

Opinion

We have audited the consolidated financial statements of Pulse Seismic Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of net earnings and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key Audit Matter Description

The accounting policy for revenue recognition is set out in Note 3(a) and Note 4 to the consolidated financial statements. The transfer of control of seismic data from data library sales was identified as a key audit matter as the point in time in which control transfers to the customer may require management's judgment. Significant auditor judgment was required to evaluate evidence for the point in time in which a customer obtains control of seismic data in a data library sale.

Audit Response

We responded to this matter by performing procedures in relation to revenue recognition. Our audit work in relation to this included, but was not restricted to, the following:

- We selected a sample of data library sales contracts throughout the year to evaluate the point in time when control of the data library is transferred to the customer;
- We verified the completion of performance obligations satisfied at a point in time through proof of data transfer;
- We assessed the receipt and collectibility of the revenue recognized on data library sales; and,
- We assessed the appropriateness of the disclosures relating to recognition of revenue in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Bonnell.

Calgary, Alberta

February 13, 2025

MNP LLP

Chartered Professional Accountants

Consolidated Statements of Financial Position

(thousands of Canadian dollars)

YE
2024

As at	Note	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents		8,722	15,948
Trade and other receivables	5	1,908	6,281
Current tax assets		589	-
Prepaid expenses		262	292
Total current assets		11,481	22,521
Seismic data library	6	9,442	18,307
Property and equipment		56	31
Deferred income tax assets	9(b)	304	91
Right-of-use assets	7	233	299
Total non-current assets		10,035	18,728
Total assets		21,516	41,249
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable and accrued liabilities		2,142	2,643
Dividends payable	10(b)	-	10,527
Deferred revenue		47	1,399
Current portion of lease liabilities	7	70	65
Current income tax liabilities		-	419
Total current liabilities		2,259	15,053
Lease liabilities	7	134	204
Share-based compensation payable	11	828	337
Total non-current liabilities		962	541
Total liabilities		3,221	15,594
SHAREHOLDERS' EQUITY			
Share capital	10(a)	70,483	72,957
Contributed surplus		2,129	3,434
Deficit		(54,317)	(50,736)
Total shareholders' equity		18,295	25,655
Total liabilities and shareholders' equity		21,516	41,249

Subsequent events 20

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 | Robert Robotti
Chair of the Board

 | Paul Crilly
Audit and Risk Committee Chair

Consolidated Statements of Net Earnings and Comprehensive Income

(thousands of Canadian dollars except per share data)

YE
2024

Years ended December 31,	Note	2024	2023
Revenue			
Data library sales	4	23,379	39,127
Operating expenses			
Amortization of seismic data library	6	9,090	9,103
Salaries, internal commissions and benefits	13	5,575	6,500
Other selling, general and administrative costs	14	2,308	2,196
Depreciation		87	80
Total operating expenses		17,060	17,879
Results from operating activities		6,319	21,248
Financing costs			
Financing expenses	15	32	172
Interest income		(474)	(554)
Net financing income		(442)	(382)
Earnings before income taxes		6,761	21,630
Current income tax expense		3,530	6,995
Deferred income tax recovery		(160)	(372)
Income tax expense	9(d)	3,370	6,623
Net earnings and comprehensive income		3,391	15,007
Net earnings per share, basic and diluted	12	0.07	0.28

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

(thousands of Canadian dollars, except number of shares)

YE
2024

	Note	Number of shares issued	Share capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2023		53,626,869	74,350	2,958	(43,812)	33,496
Net earnings for the year		-	-	-	15,007	15,007
Share-based compensation	11	-	-	969	-	969
Settlement of vested long-term incentive plan award	11	-	-	(476)	-	(476)
Tax effect of equity-settled share-based compensation	9(c)	-	-	(17)	-	(17)
Normal course issuer bid	10(a)	(1,005,006)	(1,393)	-	(550)	(1,943)
Dividends paid	10(b)	-	-	-	(10,854)	(10,854)
Dividends declared	10(b)	-	-	-	(10,527)	(10,527)
Balance at December 31, 2023		52,621,863	72,957	3,434	(50,736)	25,655

	Note	Number of shares issued	Share capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2024		52,621,863	72,957	3,434	(50,736)	25,655
Net earnings for the year		-	-	-	3,391	3,391
Share-based compensation	11	-	-	(246)	-	(246)
Settlement of vested long-term incentive plan award	11	-	-	(1,112)	-	(1,112)
Tax effect of equity-settled share-based compensation	9(c)	-	-	53	-	53
Normal course issuer bid	10(a)	(1,784,000)	(2,474)	-	(1,406)	(3,880)
Dividends declared and paid	10(b)	-	-	-	(5,566)	(5,566)
Balance at December 31, 2024		50,837,863	70,483	2,129	(54,317)	18,295

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(thousands of Canadian dollars)

YE
2024

Years ended December 31,	Note	2024	2023
Cash flows provided by (used in):			
Operating:			
Net earnings and comprehensive income		3,391	15,007
Adjustment for:			
Amortization of seismic data library	6	9,090	9,103
Depreciation		87	80
Income tax expense	9(d)	3,370	6,623
Share-based compensation	11	-	969
Net financing income		(442)	(382)
Interest and standby fees paid		(23)	(113)
Interest paid - lease liabilities	7	(19)	(18)
Interest received		503	510
Income tax paid		(4,599)	(6,777)
Income tax received		61	599
		11,419	25,601
Net change in non-cash working capital	16	2,776	(2,077)
Cash provided by operating activities		14,195	23,524
Financing:			
Normal course issuer bid	10(a)	(3,880)	(1,943)
Equity-based compensation settlement		(1,112)	(473)
Dividends paid	10(b)	(16,094)	(10,854)
Office lease principal payments	7	(65)	(100)
Cash used in financing activities		(21,151)	(13,370)
Investing:			
Seismic data purchases		(225)	-
Additions to property and equipment		(45)	(28)
Cash used in investing activities		(270)	(28)
Increase (decrease) in cash and cash equivalents		(7,226)	10,126
Cash and cash equivalents, beginning of year		15,948	5,822
Cash and cash equivalents, end of year		8,722	15,948

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

YE
2024

Information as at December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023
(Tabular amounts in thousands of Canadian dollars, except per share data, numbers of shares and other exceptions as indicated.)

1. REPORTING ENTITY

Pulse Seismic Inc. (the "Company") was incorporated under the Canada Business Corporations Act and is a publicly listed company on the Toronto Stock Exchange (TSX) trading under the symbol PSD and on the OTCQX International trading under the symbol PLSDF. The Company's registered office is located at 2700, 421 7th Avenue SW in Calgary, Alberta. The Company is a provider of seismic data to the energy and resource sector in Western Canada.

2. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The consolidated financial statements were prepared by the Company's management and were approved by the Board of Directors on February 13, 2025.

(B) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company's wholly owned subsidiaries. Certain comparative figures have been reclassified to conform to the current year's presentation.

(C) BASIS OF MEASUREMENT

The consolidated financial statements were prepared on the historical cost basis.

(D) FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Canadian dollars, the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except for per share data, the number of shares, and other exceptions as indicated.

(E) BASIS OF CONSOLIDATION

(I) Joint Operations

Certain of the Company's seismic data library assets are jointly owned with others. The consolidated financial statements include the Company's share in the joint assets, joint liabilities, expenses incurred, and income earned from the joint operations.

(II) Transactions Eliminated On Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(F) USE OF ESTIMATES AND JUDGEMENTS

Preparing the consolidated financial statements in accordance with IFRS required management to make estimates and judgements that affected the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the revenue and expenses attributed to the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed at a minimum annually, as required by IFRS. Changes to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The following note provides information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

- Note 3(a) – Data library sales are conducted under various types of licensing agreements. These contracts may require management to use judgement to assess when control of seismic data has been transferred to the customer in accordance with IFRS 15. As a result, these judgements affect the timing of revenue recognition.
- Note 3(f) – The Company uses judgement in determining its cash-generating units “CGUs” for purposes of impairment testing. The determination was based on management’s judgement in regard to the smallest identifiable group of seismic data that generates cash flows that are largely independent of the cash flows from other data. Changes in the determination of CGUs could have a significant impact on the carrying value of the assets and result in additional impairment charges or reversal of impairment charges in future periods.

The following notes provide information about assumptions and estimation uncertainties that could result in a material adjustment in future years:

- Note 3(b) – The Company applies an expected credit loss, or “ECL”, model to all debt financial assets not held at fair value through profit and loss, or “FVTPL”, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred or not as at the consolidated statements of financial position date. For trade and other receivables, the Company has applied the simplified approach under IFRS 9 and has calculated ECLs based on lifetime expected credit losses, taking into consideration historical credit loss experience and financial factors specific to the debtors and general economic conditions. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of the difference between the cash flows due in accordance with the contract and the cash flow the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.
- Note 3(d) – Amortization of seismic data library is based on management’s estimates of expected future sales, expected useful lives, market developments, and experience. These estimates may change due to changes in market conditions, potential prospects, exploration licence duration, exploration and development in certain areas, government regulations, and general economic conditions.
- Note 3(f) – Impairment tests, if required, involve the estimation of future cash flows, requiring management to make judgments regarding long-term forecasts of future revenues and costs related to the seismic data library and residual values. These forecasts are subject to uncertainty as they require assumptions about demand for seismic data and future market conditions. Significant changes in these assumptions could require a provision for impairment in a future period.
- Note 3(g) – Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amounts of recognizable deferred tax assets, based on the likely timing and level of future taxable profits. The estimates of projected future taxable profits are based on a variety of factors and assumptions, many of which are subjective and outside the Company’s control. Accordingly, these estimates could differ significantly from year to year, and the Company might end up realizing more or less of the deferred tax assets than it has recognized in the consolidated financial statements.
- Note 3(j) – The number of Performance Share Units (PSUs) expected to vest is based on management’s estimates of expected future results and vesting criteria in subsequent years. These forecasts are uncertain as they require assumptions about future market conditions, revenues, expenses, and vesting criteria. Significant changes in the assumptions could require an adjustment to the amount of share-based compensation recognized.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to both years presented in these consolidated financial statements.

(A) REVENUE RECOGNITION

Revenue for data library sales is recognized when a customer obtains control of seismic data through receipt and acceptance of the data, at which point invoices are generated. Invoices are usually payable within 30 days.

Some customers request extended payment terms which, when granted by the Company, usually are not for more than one year. For such transactions, the Company discounts its accounts receivable, and the related data library sales revenue is reallocated to interest income.

(B) FINANCIAL INSTRUMENTS

Financial assets of the Company include cash and cash equivalents and trade receivables. They are categorized as assets at amortized cost and measured at amortized cost. Financial liabilities of the Company mainly comprise accounts payable and accrued liabilities, share-based compensation payable and long-term debt. They are categorized as financial liabilities at amortized cost and measured at amortized cost.

(C) CASH AND CASH EQUIVALENTS

Short-term investments with an original maturity of three months or less are considered to be cash equivalents.

(D) SEISMIC DATA LIBRARY

The seismic data library has a finite useful life and is measured at cost, less accumulated amortization, and impairment losses. Costs directly incurred in acquiring, processing, and otherwise completing seismic surveys are capitalized to the seismic data library.

Subsequent expenditures on data library assets, such as reprocessing and digitization, are capitalized only when the expenditure increases the asset's future economic benefits. All other expenditures are recognized in earnings as incurred.

Amortization is calculated over the life of the asset. The costs of purchased data are amortized on a straight-line basis over seven years.

Amortization is based on management's estimates of expected future sales, expected useful lives, market developments, and experience. These estimates may change due to changes in market conditions, potential prospects, exploration licence duration, exploration and development in certain areas, government regulations, and general economic conditions. Amortization methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

(E) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in earnings over the estimated useful life of an item of property and equipment on a straight-line basis.

Depreciation is provided using the following methods:

	Straight line
Computer hardware and software	3 years
Office equipment	5 years
Leasehold improvements	Balance of lease term

(F) IMPAIRMENT OF LONG-LIVED ASSETS

The carrying amounts of the seismic data library, property and equipment, and intangible assets are reviewed at each reporting date by management to determine whether there is an indication of impairment. If so, the asset's recoverable amount is estimated based on the higher of its fair value less costs to sell, and its value in use.

Factors considered important by the Company that could trigger an impairment assessment include:

- Significant underperformance relative to expected operating results based on historical and/or projected data;
- Significant changes in the manner of the use of the asset or the strategy of the overall business; and
- Significant negative industry or economic trends.

The recoverable amount of tangible and intangible assets is the greater of value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are classified in the smallest grouping that generates cash flows from continuing use that are largely independent of the cash flows of other assets or groups.

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 earnings or loss. Impairment losses recognized in respect of a CGU are allocated to the carrying amount of the assets in the unit on a pro-rata basis.

Impairment losses for assets recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying value does not exceed the carrying amount that would be determined, net of amortization or depreciation, if no impairment loss had been recognized.

(G) INCOME TAXES

Income tax expense comprises current and deferred tax. Income tax expense is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to the temporary differences when they are reversed, based on the laws enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

Deferred tax is not recognized for the following differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss; and
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable they will not be reversed in the foreseeable future.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable the related tax benefit will be realized.

(H) PER SHARE AMOUNTS

Basic per share amounts are calculated using the weighted average number of shares outstanding during the year.

(I) SHARE CAPITAL

Common shares are classified as equity. When shares are sold, the consideration received, including directly attributable costs, net of any tax effect, is recognized as a change in share capital. The Company purchases shares for cancellation under its normal course issuer bid (NCIB). The cost of purchasing shares for cancellation is first charged to share capital to the extent of the average carrying value of the common shares purchased and the excess is charged to retained earnings. No gain or loss is recognized in the consolidated statements of net earnings (loss) and comprehensive earnings (loss) on the purchase, sale, issuance, or cancellation of the Company's equity instruments.

(J) SHARE-BASED PAYMENTS

The Company has a long-term incentive plan (LTIP) under which participants are granted restricted share units (RSUs) and performance share units (PSUs). All amounts awarded are at the discretion of the Board of Directors. RSUs and PSUs have accompanying dividend-equivalent rights and, therefore, additional RSUs and PSUs are issued to reflect dividends declared, if applicable, on the common shares. When vested LTIP units are settled with equity, the Company provides funds to the plan's trustee to purchase common shares on the open market for the after-tax number of vested RSUs and PSUs. The related payroll taxes are then accounted for as cash-settled share-based payments. In 2024, the Board of Directors amended the long-term incentive plan to provide the Board with the discretion to choose to settle the vested units either with equity or cash. Subsequent to that, the plan was settled with cash for the vested units related to 2023. In 2025, the Board has stated their intention to also cash-settle the RSUs and PSUs for the employee LTIP, vesting for 2024. As a result, the appropriate accounting for cash-settled share-based payments has been adopted.

The compensation expense is recognized over the vesting period and is based on the number of RSUs and PSUs expected to vest. For cash-settled share-based payments, the compensation expense is measured initially at the fair market value of the Company's shares at the grant date and subsequently adjusted for the additional shares granted based on the reinvestment of notional dividends and the market value of the shares at the end of each reporting period, with a corresponding increase or decrease to liabilities.

(K) EMPLOYEE BENEFITS

Short-term employee benefit obligations are calculated on an undiscounted basis and are expensed as the related services are provided.

A liability is recognized for the amount expected to be paid under the short-term incentive plan if the financial performance metrics are met.

(L) LEASES

At the inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to perform this assessment, the Company determines whether: i) the Company has the right to obtain substantially all of the economic benefits from the use of the asset through the period of use; and ii) the Company has the right to direct the use of the identified asset. The term of the lease is determined as the non-cancellable period of a lease and periods in which there is reasonable certainty the Company will exercise an option to extend or cancel a lease. The Company considers all relevant facts and circumstances that would create an economic incentive to extend or terminate a lease.

When a lease is identified, a right-of-use asset and a liability are recognized. At the commencement date of a lease, the Company measures lease liabilities at the present value of remaining lease payments, discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. Prospectively, the carrying amount of lease liabilities is increased by interest, offset by lease payments made. The initial cost of right-of-use assets is measured as the value of the lease liability, adjusted for any lease incentives received and initial direct costs. Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the asset and recognized as cost less any accumulated depreciation and impairment losses.

(M) NET FINANCING COSTS OR INCOME

Financing expenses consist of interest and standby fee expenses on the credit facility, amortization of the deferred financing costs and interest expenses related to the lease liability. All borrowing costs are recognized in earnings or loss using the effective interest rate method.

Interest income is earned from term deposits and discounted accounts receivable with payment terms when applicable.

4. REVENUE

Data library sales

There are two ways to disaggregate the Company's data library sales: data type and geographically. Revenue fluctuations are a normal part of the seismic data library business, and data library sales can significantly vary year-over-year by data type and geographically.

The following tables provide a summary of the Company's revenue disaggregated by type:

(A) DATA TYPE

Years ended December 31,	2024	2023
2D data sales	3,311	4,702
3D data sales	20,068	34,425
Total data library sales	23,379	39,127

The Company's data library consists of 2D and 3D seismic data. As 3D seismic licence contracts are generally larger than 2D seismic licence contracts, the percentage of seismic data library sales generated from 2D and 3D data sales fluctuates significantly depending on the number of 3D seismic sale contracts signed during a given period.

(B) GEOGRAPHICAL BREAKDOWN

Years ended December 31,	2024	2023
Alberta sales	17,616	35,214
British Columbia sales	4,440	1,127
Other area sales	1,323	2,786
Total data library sales	23,379	39,127

The Company's customers are currently and generally focusing on liquids-rich natural gas and light oil pools found primarily in a broad corridor running from northwest of Calgary, Alberta, along the Foothills of the Rocky Mountains to the British Columbia border, as compared to "dry" natural gas more often found in British Columbia, on Alberta's eastern prairies and in Saskatchewan and Manitoba. For the year ended December 31, 2024, 75 percent (year ended December 31, 2023 - 90 percent) of the data library sales were from data located in Alberta, 19 percent from British Columbia (year ended December 31, 2023 - 3 percent) and 6 percent from other areas (year ended December 31, 2023 - 7 percent).

5. TRADE AND OTHER RECEIVABLES

As at December 31,	2024	2023
Data library trade receivables	1,888	6,237
Other	20	44
	1,908	6,281

6. SEISMIC DATA LIBRARY

	2024	2023
Cost		
Opening balance, January 1	506,798	506,798
Seismic data purchased	225	-
Closing balance December 31	507,023	506,798
Accumulated amortization		
Opening balance, January 1	488,491	479,388
Amortization for the year	9,090	9,103
Closing balance, December 31	497,581	488,491
Carrying amount, December 31	9,442	18,307

At December 31, 2024 and 2023, the Company assessed the CGUs in its seismic data library for indicators of impairment, as required under IFRS, and concluded there were no indicators and, accordingly, that no impairment test was required.

7. RIGHT-OF-USE (ROU) ASSETS AND LEASE LIABILITIES

The ROU assets and related lease liabilities are included in the tables below:

ROU assets		
As at December 31	2024	2023
Opening balance	299	18
Office lease	-	348
Less:		
Depreciation in the year	(66)	(67)
ROU assets	233	299

Lease liabilities		
As at December 31	2024	2023
Opening balance	269	21
Office lease	-	348
Repayments on principal and interest	(84)	(118)
Interest expense in the year	19	18
Total lease liabilities	204	269
Less		
Current portion	(70)	(65)
Long-term portion	134	204

The following table summarizes the Company's lease maturities:

Maturity analysis	Total
Less than one year	84
Two to five years	145
Total undiscounted lease payables as at December 31, 2024	229
Less: implicit interest	(25)
Total lease liabilities as at December 31, 2024	204

The Company has a lease agreement for office space for the period from April 2023 to June 2028. The ROU assets and related lease liabilities were recognized on the commencement date of April 1, 2023.

Included in the lease liabilities is the present value of the basic rent related to the Company's office lease agreement. The present value is calculated using an incremental borrowing rate of 7.45 percent.

For the year ended December 31, 2024, the Company expensed \$247,000 (year ended December 31, 2023 - \$186,000) in operating costs related to the lease, which is included in other selling, general, and administrative costs. The lease included three months of free rent from April to June 2023.

8. REVOLVING DEMAND CREDIT FACILITY

At December 31, 2023, the Company had a \$25.0 million revolving credit facility with a maturity date of January 15, 2025.

In February 2024, at the request of the Company, the revolving credit facility was amended. The new revolving demand facility has a \$5.0 million borrowing limit and is secured through a charge on all the assets of the Company and its material subsidiaries.

Interest is calculated based on the lender's prime loan rate, or USBR loan, or term CORRA, or term SOFR, plus an applicable margin based on the type of loan. At December 31, 2024, the applicable interest rate for the prime loan was 5.95 percent.

The revolving demand credit facility also includes the following financial covenants:

(1) MAXIMUM TOTAL DEBT TO ADJUSTED EBITDA RATIO

The total debt to adjusted EBITDA ratio shall not be greater than 3.0:1.

Adjusted EBITDA is calculated on a trailing 12-month basis. It is defined as earnings or losses before interest, income taxes, depreciation and amortization. It also includes extraordinary losses, non-cash losses and expense charges, and any other unusual or non-recurring cash charges, expenses or losses consented to by the lenders, less participation survey revenue, lease payments treated as capital lease, warehouse storage fees, extraordinary gains, and non-cash gains and income. Adjusted EBITDA will be adjusted for any acquisition or disposition to reflect that it occurred on the first day of such calculation period.

(2) MINIMUM INTEREST COVERAGE RATIO

The minimum interest coverage ratio is defined as the ratio of adjusted EBITDA to interest expense.

The minimum interest coverage ratio shall not be less than 2.5:1.

At December 31, 2024, with no debt balance, the total debt to adjusted EBITDA ratio was 0.0:1 and the interest coverage ratio was 1,186:1. The interest expense in 2024 is comprised of stand-by fees paid in January and February 2024 on the previous revolving credit facility. No stand-by fees are paid on the new revolving demand credit facility.

The Company was in compliance with all covenants at December 31, 2024.

9. DEFERRED TAX ASSETS AND LIABILITIES

(A) UNRECOGNIZED DEFERRED TAX ASSETS

Deferred tax assets have not been recognized in respect of the following temporary differences:

As at December 31,	2024	2023
Foreign exploration and development expense (FEDE)	-	525
Capital losses	3,297	3,297
	3,297	3,822

The deferred tax asset related to the capital losses has not been recognized because future capital gains is improbable.

Change in accounting estimate

During the last quarter of 2024, the Company conducted a review of the future use of its legacy FEDE tax pool. Such review was based on the current economic and operating environment and considered the history of the Company in order to assess the future use of its FEDE tax pool. As a result of this review, effective December 31, 2024, a change was made to the Company's estimate of the future use of the FEDE tax pool. The Company estimated that no valuation allowance was required for the FEDE tax pool.

As a result of this change in estimates the future income tax asset related to the FEDE pool increased by \$109,000 at December 31, 2024.

(B) RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

As at December 31,	2024	2023
Deferred income tax assets:		
Financing fees	12	23
Resource expenditures	191	93
Long-term incentive plan	489	508
Deferred income tax assets	692	624
Deferred income tax liabilities:		
Seismic data library	381	526
Capital lease	7	7
Deferred income tax liabilities	388	533
Net deferred income tax	304	91

(C) MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR

	Deferred tax liabilities (assets) January 1, 2023	Recognized in income	Recognized in equity	Deferred tax liabilities (assets) December 31, 2023
Resources expenditures	(109)	16	-	(93)
Capital lease	(1)	8	-	7
Financing fees	(42)	19	-	(23)
Long-term incentive plan	(327)	(198)	17	(508)
Seismic data library	743	(217)	-	526
	264	(372)	17	(91)

	Deferred tax liabilities (assets) January 1, 2024	Recognized in income	Recognized in equity	Deferred tax liabilities (assets) December 31, 2024
Resource expenditures	(93)	(98)	-	(191)
Capital lease	7	-	-	7
Financing fees	(23)	11	-	(12)
Long-term incentive plan	(508)	72	(53)	(489)
Seismic data library	526	(145)	-	381
	(91)	(160)	(53)	(304)

(D) RECONCILIATION OF EFFECTIVE TAX RATE

Income tax expense differs from the amount that would be computed by applying the basic combined federal and provincial statutory income tax rate to earnings before income taxes. The reasons for the differences are as follows:

Years ended December 31,	2024	2023
Earning before income tax	6,761	21,630
Combined federal and provincial income tax rate	23%	23%
Expected income tax expense	1,555	4,975
Effects of difference:		
Non-deductible expenses and others	15	13
Change in valuation allowance	(121)	(8)
Scientific research and experimental development investment tax credits	(78)	(191)
Permanent difference related to the seismic data library	1,922	1,834
Normal course issuer bid tax (2% of cost of shares bought and cancelled)	77	-
Actual income tax expense	3,370	6,623

10. SHARE CAPITAL

(A) SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common and an unlimited number of preferred shares, issuable in series. No preferred shares have been issued. All common shares are entitled to receive dividends as declared and are entitled to one vote per share at Company meetings.

On December 20, 2023, the Company renewed its normal course issuer bid (NCIB). The Company was allowed to purchase, for cancellation, up to a maximum of 2,957,406 common shares, equal to 10 percent of the public float of 29,574,064 common shares as at December 13, 2023. Under the NCIB, the Company was limited to purchase no more than 2,618 common shares on any given day, subject to the block purchase exemption under the TSX rules. The NCIB terminated on December 19, 2024. Purchases were made on the open market through the TSX or alternative platforms at the market price of such shares. All shares purchased under the NCIB were cancelled.

In 2024, the Company entered into automatic share purchase plans (ASPP) to facilitate repurchases of common shares under its NCIB. The ASPP enables the Company to purchase common shares at times when the Company would not be active in the market due to regulatory restrictions, including insider trading rules and the Company's own internal trading blackout periods. Purchases were made by the Company's broker based on parameters set by the Company when it was not in possession of any material non-public information about the Company or its securities, and in accordance with the limits and other terms of the ASPP. The ASPP was entered into in accordance with the requirements of applicable Canadian securities laws. The ASPP expired with the related NCIB on December 19, 2024.

During the year ended December 31, 2024, the Company purchased for cancellation 1,784,000 common shares pursuant to its NCIB (December 31, 2023 - 1,005,006 common shares) at a weighted average price of \$2.17 per share (December 31, 2023 - \$1.93 per share), including brokerage fees, for a total cost of \$3.9 million (December 31, 2023 - \$1.9 million). The total cost paid, including fees, was first charged to share capital to the extent of the average carrying value of the common shares purchased and the excess of \$1.4 million was charged to the deficit (December 31, 2023 - \$550,000).

(B) DIVIDENDS

On December 6, 2023, the Company declared a special dividend of \$0.20 per common share. On January 8, 2024, the dividend totalling \$10.5 million was paid to shareholders of record at the close of business on December 21, 2023.

On February 15, 2024, the Company approved a quarterly dividend of \$0.01375 per share. On March 11, 2024, the dividend totalling \$715,000 was paid to shareholders of record at the close of business on March 1, 2024.

On April 24, 2024, the Company increased the regular quarterly dividend from \$0.01375 per common share, declaring a regular dividend of \$0.015 per common share. The dividend totalling \$775,000 was paid on May 23, 2024, to shareholders of record at the close of business on May 14, 2024.

On July 23, 2024, the Company approved a regular quarterly dividend of \$0.015 per common share and also approved a special dividend of \$0.05 per common share. The dividend totalling \$3.3 million was paid on August 21, 2024, to shareholders of record at the close of business on August 14, 2024.

On October 22, 2024, the Company approved a regular quarterly dividend of \$0.015 per common share. The dividend totalling \$763,000 was paid on November 28, 2024, to shareholders of record at the close of business on November 14, 2024.

11. SHARE-BASED PAYMENTS

The Company's long-term incentive plan (LTIP) for employees, officers and Directors is designed to align the Company's long-term incentive compensation with its performance.

The LTIP awards consist of restricted share units (RSU) and performance share units (PSU) for employees and RSUs for Directors. Upon vesting, each RSU and PSU entitles the holder to one common share of the Company. RSUs and PSUs have accompanying dividend-equivalent rights and, therefore, additional RSUs and PSUs are issued to reflect dividends declared, if applicable, on the common shares.

In determining the amount of share-based compensation related to PSUs, management makes estimates about future results and vesting criteria. It is reasonably possible that future outcomes could differ from the estimates, which are based on current knowledge, and require a material adjustment to the share-based compensation expense recorded in future periods. The impact of any change in the number of PSUs expected to vest is recognized in the period the estimate is revised.

In February 2024, the Board of Directors approved an amendment to the employee LTIP. The share-based plan has previously been equity-settled, with shares purchased on the open market and distributed to unit holders. The amendment allows the Board of Directors, at its discretion, to choose to settle the vested units with either equity or with an equivalent cash payment.

On March 31, 2024, 477,654 RSUs and 488,225 PSUs were eligible to vest. The Company's performance in 2023 met the predetermined minimum performance benchmarks and, consequently, 100% of the PSUs vested on March 31, 2024. RSUs vest automatically based on time and, consequently, all eligible RSUs vested on March 31, 2024. The 2023 employee LTIP vested on March 31, 2024, was settled in cash in the second quarter of 2024.

During the year ended December 31, 2024, the Company recognized \$1.8 million (year ended December 31, 2023 - \$1.7 million) in compensation expense related to the LTIP in salaries, internal commissions, and benefits on the consolidated statement of comprehensive earnings. The equity-settled portion was nil (2023 - \$969,000). Included in the \$1.8 million compensation expense is a fair value adjustment of \$189,000 related to the cash settlement to be settled in April 2025.

At December 31, 2024, the obligation related to the cash-settled portion of the LTIP was \$2.0 million (December 31, 2023 - \$991,000) with \$1.2 million (December 31, 2023 - \$654,000) included in accounts payable and accrued liabilities and \$828,000 (December 31, 2023 - \$337,000) included in share-based compensation payable.

The following summarizes activity in the Company's LTIP during the years ended December 31, 2024, and 2023:

RSUs	2024	2023
Outstanding, January 1	1,102,971	1,214,575
Vested and exercised	(477,654)	(454,832)
Granted	213,515	306,392
Reinvested	157,914	112,128
Cancelled or forfeited	-	(75,292)
Outstanding, December 31	996,746	1,102,971

PSUs	2024	2023
Outstanding, January 1	1,192,080	1,209,149
Vested and exercised	(488,225)	-
Granted	314,942	366,712
Reinvested	175,215	119,240
Cancelled or forfeited	-	(503,021)
Outstanding, December 31	1,194,012	1,192,080

On March 31, 2025, 377,230 RSUs and 422,078 PSUs will be eligible to vest in the employee LTIP. The Company's performance in 2024 surpassed the predetermined minimum performance benchmarks and, consequently, 31% of the PSUs eligible to vest, or 130,829 PSUs, will vest on March 31, 2025. RSUs vest automatically based on time and, consequently, all eligible RSUs will vest on March 31, 2025. The Board of Directors elected to cash-settle the 2024 employee LTIP awards after vesting on March 31, 2025.

12. EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share was based on the net earnings attributable to common shareholders of \$3.4 million for the year ended December 31, 2024 (year ended December 31, 2023 - \$15.0 million) and a weighted average number of common shares of 51,448,985 (2023 - 53,237,569).

	2024	2023
Common shares outstanding, January 1	52,621,863	53,626,869
Effect of shares issued, purchased and cancelled	(1,172,878)	(389,300)
Weighted average number of common shares for the year ended December 31	51,448,985	53,237,569

(B) DILUTED EARNINGS PER SHARE:

The Company does not have any dilutive securities.

13. SALARIES, INTERNAL COMMISSIONS AND BENEFITS

Years ended December 31,	Note	2024	2023
Salaries and benefits		2,781	3,038
Internal commissions		290	515
Registered retirement savings plan contributions		142	147
Short-term incentives		564	1,128
Long-term incentives	11	1,798	1,672
Total salaries, internal commissions and benefits		5,575	6,500

14. OTHER SELLING, GENERAL AND ADMINISTRATIVE COSTS

Years ended December 31,	2024	2023
External commissions	125	64
Occupancy cost	318	262
Office and general cost	479	450
Information technology	464	433
Data storage	142	305
Directors' fees and corporate costs	456	421
Professional fees	324	261
Total salaries, internal commissions and benefits	2,308	2,196

15. FINANCING EXPENSES

Years ended December 31,	Note	2024	2023
Standby fees		13	112
Deferred financing fees amortization		-	42
Lease liabilities interest expense	7	19	18
Total financing expenses		32	172

16. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

Years ended December 31,	2024	2023
Trade and other receivables	4,373	(5,193)
Prepaid expenses	30	138
Accounts payable and accrued liabilities	(501)	1,566
Deferred revenue	(1,352)	1,352
Share-based compensation payable	491	20
Others	(265)	40
Net change in non-cash operating working capital	2,776	(2,077)

17. FINANCIAL INSTRUMENTS

The Company's risk management policy objectives include the long-term management of the Company's business activities and, wherever possible, mitigation of the associated business risks. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and,
- Market risk.

(A) RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee conducts reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(B) 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 and arises principally from the Company's accounts receivable.

The Company is exposed to credit risk in connection with the licencing of seismic data to its customers. The Company's exposure to credit risk is influenced mainly by each customer's individual characteristics. The nature of the Company's customer base, including the default risk of the industry in which customers operate, influences credit risk. As the Company operates in the energy industry, and to a large extent in the oil and natural gas industry, nearly all of the trade receivables relate to customers from this industry.

The effective monitoring and control of credit risk is a core competency of the Company. Each new customer is analyzed individually for creditworthiness before payment and delivery terms and conditions are offered. Customer accounts are monitored, and accounts receivable aging is regularly reviewed. On occasion, there are sales agreements signed with the Company that provide for extended payment terms.

The Company's credit risk increases in these arrangements due to their longer time frame. The risk is mitigated by limiting these arrangements to companies assessed to have strong credit worthiness and adequate resources to fulfill their commitments.

The majority of the Company's customers have been doing business with the Company for many years, and insignificant losses have occurred in the past. The Company does not require customers to provide collateral.

EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was the gross value of accounts receivable of \$1.9 million. The cash and cash equivalents are also subject to credit risk. The risk is mitigated by holding cash with a large chartered bank. The Company has a significant concentration of customers in the oil and natural gas industry, with the majority located in Alberta. At December 31, 2024, 97 percent of total accounts receivable were due from two customers. For the year ended December 31, 2023, approximately 71 percent of the Company's data library sales were attributable to six customers.

The aging of trade receivables at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
Current	1,908	-	6,190	-
Past due 31-60 days	-	-	39	-
Past due 61-90 days	-	-	52	-
More than 90 days	-	-	-	-
Total	1,908	-	6,281	-

Accounts receivable over 90 days are monitored and assessed for impairment. Those accounts are evaluated on a case-by-case basis using information received from the customer and market information.

As of February 13, 2025, the Company has collected 93% of the gross value of December 31, 2024, trade and other receivables.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Company regularly monitors its cash flow and funding options available in the capital markets, as well as trends in the availability and costs of such funding, to maintain financial flexibility and limit repayment risks. The Company does not believe that it will encounter difficulty in meeting its financial obligations. Consolidated cash flow information, including a projection for the remainder of the year, is presented quarterly to the Audit and Risk Committee, which aids in planning to ensure that the Company has sufficient cash to meet expected operational expenses, including the servicing of financial obligations.

The Company has working capital of \$9.2 million at December 31, 2024, in addition to \$5.0 million available for future draws on its demand credit facility.

The following are the contractual maturities of financial liabilities at December 31, 2024:

	Carrying amounts	2025	2026	2027	2028 and thereafter
Accounts payable	2,142	2,142	-	-	-
Leases liabilities	204	70	85	49	-
Share-based compensation payable	828	-	793	35	-
Total	3,174	2,212	878	84	-

(D) MARKET RISK

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(I) Commodity Price Risk

The Company is not directly exposed to commodity price risk as it does not have any contracts that are directly based on commodity prices. A change in commodity prices, specifically oil and natural gas prices, could have a material impact on the Company's customers' cash flows and could therefore affect the level of seismic data library sales in any given year. Commodity prices are affected by many factors, including supply and demand. The Company has not entered into any commodity price risk contracts. Given that this is an indirect influence, the financial impact on the Company of changing oil and natural gas prices is not reasonably determinable.

(II) Interest Rate Risk

The Company's interest rate risk exposure is mainly related to line of credit at times when the Company carries a debt balance.

The Company earned interest income on its cash balances in 2024 and 2023.

(E) FAIR VALUES

The fair values of cash and cash equivalents, accounts receivable and accounts payable approximate their carrying amount largely due to the short-term maturities of these instruments.

18. CAPITAL MANAGEMENT

The Company considers its capital structure to include shareholders' equity but also uses long-term debt from time to time for acquisitions.

As at December 31,	2024	2023
Shareholders' equity	18,295	25,655
Total capitalization	18,295	25,655

The Company's primary objective when managing capital is to preserve its ability to execute its growth plan of increasing the size of the seismic data library, so that it can maximize revenue and, ultimately, shareholder value. Historically, sales generated from the seismic data library have provided the Company with high margins and cash sufficient to repay long-term debt and continue to fund data library growth.

The Company requires flexibility in managing the capital structure so that it can take advantage of opportunities to raise additional capital as opportunities for data acquisitions arise. The Company uses a combination of debt and equity and relies on key internal measures such as the long-term debt to trailing-12-month EBITDA ratio and the long-term debt-to-equity ratio to forecast and structure its capital requirements. From time to time the Company purchases its own shares on the market through its NCIB, the timing of which depends on several factors including competing capital allocation opportunities under review, market volume activity, and market prices.

EBITDA is defined by the Company as earnings before interest, taxes, depreciation, and amortization. EBITDA is a measure that does not have any standardized meaning prescribed by IFRS or Canadian generally accepted accounting principles and is therefore unlikely to be comparable to similar measures presented by other issuers.

There were no changes in the Company's approach to capital management during the year.

19. RELATED-PARTY TRANSACTIONS

The Company has a related-party relationship with its Board of Directors and with key management personnel.

A) KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to their salaries, the executive officers participate in the Company's short-term incentive cash-bonus plan and LTIP (refer to note 11). Both the short-term incentive plan and LTIP amounts listed in the table are amounts paid in the year for performance related to the prior year.

Key management personnel compensation comprised:

Years ended December 31,	2024	2023
Fixed salary	956	927
Short-term employee benefits	80	68
Short-term incentive plan	790	146
LTIP	1,313	379
	3,139	1,520

(B) TRANSACTIONS WITH DIRECTORS

Directors also participate in the Company's LTIP (refer to note 11).

The remuneration of the Directors is as follows:

Years ended December 31,	2024	2023
Director's fees	265	206
LTIP	125	114
	390	320

20. SUBSEQUENT EVENTS

i) On February 13, 2025, the Company declared a quarterly dividend of \$0.015 per common share and also declared a special dividend of \$0.20 per common share to be paid on March 13, 2025, to shareholders of record at the close of business on February 28, 2025.

ii) The Director LTIP was amended in February 2025. The RSUs held in notional accounts for each director have been replaced by Deferred Share Units "DSUs". DSUs are awarded annually to each Director, at the discretion of the board. DSUs are held in the notional account until the Director's term on the board terminates. The fair value of the DSUs will be calculated and paid to each individual at the appropriate date, less the related payroll tax.

Corporate Information

Pulse is a market leader in the acquisition and licensing of 2D and 3D seismic data to the western Canadian energy sector. Pulse owns the largest licensable seismic data library in Canada, currently consisting of 65,310 net square kilometres of 3D seismic and 829,207 net kilometres of 2D seismic. The library extensively covers the Western Canada Sedimentary Basin where most of Canada's oil and natural gas exploration and development occur.

OFFICERS

Neal Coleman
President and CEO

Pamela Wicks
Vice President, Finance and CFO

Trevor Meier
Vice President, Sales and Marketing

Catherine Samuel
Corporate Secretary

BOARD OF DIRECTORS

Robert Robotti ^{(2) (3)}
Chair

Paul Crilly ^{(1) (3)}
Director

Dallas Droppo ^{(1) (2) (3)}
Director

Patrick R. Ward ^{(2) (4)}
Director

Melanie Westergard ^{(1) (2) (4)}
Director

Neal Coleman ⁽⁴⁾
Director

(1) Member of the Audit and Risk Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance and Nominating Committee

(4) Member of the ESG-Health Committee

BANKERS

The Toronto-Dominion Bank
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Calgary, Alberta

SOLICITORS

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For the three months and year
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