



**Condensed Interim
Consolidated Financial Statements**

For the three months December 31, 2024

(Unaudited – Expressed in US dollars)

Notice to Reader

These condensed interim consolidated financial statements of Pulsar Helium Inc. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

Pulsar Helium Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in US dollars)

			December 31, 2024	September 30, 2024
	Note			
ASSETS				
Current Assets				
Cash	4	\$	3,778,024	\$ 1,230,982
Receivables			15,395	4,552
Prepaid expenses			134,621	110,378
			3,928,040	1,345,912
Equipment	5		224,418	237,711
Exploration and evaluation assets	6		675,741	359,373
		\$	4,828,199	\$ 1,942,996
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current Liabilities				
Trade and other payables	9	\$	817,118	\$ 1,177,662
			817,118	1,177,662
Warrant liability	7		5,122,835	3,798,355
			5,939,953	4,976,017
Shareholders' Equity (Deficiency)				
Share capital	8		22,197,312	16,363,734
Obligation to issue shares	13		494,000	-
Special Warrants	8		-	1,324,118
Reserves	8		3,099,065	2,433,083
Deficit			(26,902,131)	(23,153,956)
			(1,111,754)	(3,033,021)
		\$	4,828,199	\$ 1,942,996
Nature of operations	1			
Subsequent events	13			

These condensed interim consolidated financial statements are approved for issue by the Audit Committee of the Board of Directors of the Company on February 25, 2025.

They are signed on the Company's behalf by:

"Thomas Abraham-James", Director

"Doris Meyer", Director

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

Pulsar Helium Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in US dollars)

	<i>Note</i>	Three months ended December 31,	
		2024	2023
Expenses			
Administration		\$ 133,329	\$ 30,098
Consulting fees	9	160,400	102,634
Depreciation	5	13,293	-
Director fees	9	39,150	20,000
Exploration and evaluation expenditures	6	1,046,631	403,281
Foreign exchange		11,730	19,070
Marketing and promotion		114,806	314,633
Professional fees		47,247	66,131
Regulatory costs		44,986	13,454
Share-based compensation	8 & 9	183,493	-
Travel		145,912	24,017
		(1,940,977)	(993,318)
Listing fees	1	(376,627)	-
Revaluation of warrant liability	7	(1,430,571)	(172,606)
Loss and comprehensive loss for the period		\$ (3,748,175)	\$ (1,165,924)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding			
- basic and diluted		122,598,676	74,140,288

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

Pulsar Helium Inc.**Condensed Interim Consolidated Statements of Cash Flows**
(Unaudited - Expressed in US dollars)

	Three months ended December 31,	
	2024	2023
OPERATING ACTIVITIES		
Loss for the period	\$ (3,748,175)	\$ (1,165,924)
Change in non-cash working capital items:		
Depreciation	13,293	-
Share-based compensation	183,493	-
Revaluation of warrant liability	1,430,571	172,606
Shares issued for listing fees	64,991	-
Warrants issued for listing fees	86,860	-
Change in non-cash working capital items:		
Receivables	(10,843)	(7,901)
Prepaid expenses	53,746	16,298
Trade and other payables	(360,544)	(166)
Net cash used in operating activities	(2,286,608)	(985,087)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(316,368)	(11,000)
Net cash used in investing activities	(316,368)	(11,000)
FINANCING ACTIVITIES		
Private placement	5,010,985	-
Share issue costs	(491,537)	-
Obligation to issue shares	494,000	-
Exercise of warrants	136,570	-
Net cash provided by financing activities	5,150,018	-
Change in cash for the period	2,547,042	(996,087)
Cash, beginning of the period	1,230,982	1,207,846
Cash, end of the period	\$ 3,778,024	\$ 211,759

Non-cash investing and financing activities (Note 12)

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

Pulsar Helium Inc.

Condensed Interim Consolidated Statements of Shareholders' Equity (Deficiency)

(Unaudited - Expressed in US dollars)

	Number of Shares	Share Capital	Obligation to issue shares	Special Warrants	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, September 30, 2024	105,117,383	\$ 16,363,734	\$ -	\$ 1,324,118	\$ 2,433,083	\$ (23,153,956)	\$ (3,033,021)
Conversion of Special Warrants	4,500,000	1,324,118	-	(1,324,118)	-	-	-
Private placement	15,500,000	5,010,985	-	-	-	-	5,010,985
Shares issued for corporate finance fee	1,000,000	324,953	-	-	-	-	324,953
Share issue costs - shares	-	(324,953)	-	-	-	-	(324,953)
Share issue costs - cash	-	(491,537)	-	-	-	-	(491,537)
Share issue costs - warrants	-	(395,629)	-	-	395,629	-	-
Shares issued for prepaid regulatory costs	240,000	77,989	-	-	-	-	77,989
Listing fees - shares	200,000	64,991	-	-	-	-	64,991
Listing fees - warrants	-	-	-	-	86,860	-	86,860
Exercise of warrants	530,434	242,661	-	-	-	-	242,661
Obligation to issue shares	-	-	494,000	-	-	-	494,000
Share-based compensation	-	-	-	-	183,493	-	183,493
Comprehensive loss for the period	-	-	-	-	-	(3,748,175)	(3,748,175)
Balance, December 31, 2024	127,087,817	\$ 22,197,312	\$ 494,000	\$ -	\$ 3,099,065	\$ (26,902,131)	\$ (1,111,754)

	Number of Shares	Share Capital	Obligation to issue shares	Special Warrants	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, September 30, 2023	74,140,288	\$ 3,345,969	\$ -	\$ -	\$ 67,865	\$ (2,807,244)	\$ 606,590
Comprehensive loss for the period	-	-	-	-	-	(1,165,924)	(1,165,924)
Balance, December 31, 2023	74,140,288	\$ 3,345,969	\$ -	\$ -	\$ 67,865	\$ (3,973,168)	\$ (559,334)

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

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

1. NATURE OF OPERATIONS

Pulsar Helium Inc. (the “Company”) is a publicly traded company incorporated under the laws of British Columbia, Canada on June 30, 2022. The Company’s head office is located at Rua Frederico Arouca, nº 251, 2º frente, 2750-356, Cascais, Portugal. The Company’s registered and records office is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

On August 15, 2023, the Company’s common shares commenced trading on the TSX Venture Exchange (TSX-V) in Canada under the symbol PLSR.

On March 21, 2024, the Company’s common shares commenced trading on the OTCQB Venture Market in the United States under the symbol PSRHF.

On October 18, 2024, the Company’s common shares commenced trading (the “Admission”) on the AIM market of the London Stock Exchange plc (“AIM”) under the symbol PLSR. Concurrent with Admission, the Company completed a fundraising for gross proceeds of \$5,010,985 (£3,875,000) (Note 8). During the three months ended December 31, 2024, the Company paid or accrued listing fees associated with Admission of \$341,178.

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of helium exploration projects in the United States of America (“USA”) and Greenland.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2024, the Company had working capital of \$3,110,922. Subsequent to December 31, 2024, the Company completed a private placement for gross proceeds of \$2,000,000 (Note 13). Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months.

Additional financing may be required by the Company to complete its long-term strategic objectives. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2024.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in US dollars, which is the parent company's functional currency, as well as the functional currency of its three wholly owned subsidiaries.

Use of estimates and judgments

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

Carrying value and recoverability of exploration and evaluation assets

Management has determined that exploration and evaluation assets incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including whether economic quantities of helium reserves have been found in assessing economic and technical feasibility, other technical information, accessibility of facilities and existing permits.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Warrant and option valuations

The fair value of broker and share purchase warrants as well as stock options is calculated using the Black-Scholes Option Pricing Model. The option pricing model requires the input of highly speculative assumptions, including the expected future price volatility of the Company's shares. Changes in these assumptions can materially affect the fair value estimate.

Going concern assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent company as well as the functional currency of the Company's three wholly owned subsidiaries is the United States dollar.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended September 30, 2024, except as noted below.

New accounting policy

The following amendments to existing standards have been adopted by the Company commencing October 1, 2023:

IAS 1, Presentation of Financial Statements

The amendments changed the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policies are material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The adoption of these amendments did not materially impact these consolidated financial statements of the Company.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2024 and have not been applied in preparing these consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The Company has not early adopted this revised standard, and its adoption is not expected to have a material impact on the Company's consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

4. CASH

	December 31, 2024	September 30, 2024
US dollar denominated deposits held in Canada	\$ 3,594,177	\$ 899,939
Canadian dollar denominated deposits held in Canada	49,034	320,911
British Pound denominated deposits held in Canada	62,825	-
Euro denominated deposits held in Portugal	69,149	7,080
British Pound denominated deposits held in Greenland	2,454	2,595
Danish Krone denominated deposits held in Greenland	385	457
Total	\$ 3,778,024	\$ 1,230,982

5. EQUIPMENT

	Exploration Equipment			Total
	USA	Greenland		
Cost				
As at September 30, 2024	\$ 155,363	\$ 109,347	\$	264,710
Additions	-	-		-
As at December 31, 2024	\$ 155,363	\$ 109,347	\$	264,710
Accumulated depreciation				
As at September 30, 2024	\$ 14,242	\$ 12,757	\$	26,999
Depreciation	7,768	5,525		13,293
As at December 31, 2024	\$ 22,010	\$ 18,282	\$	40,292
Carrying amounts				
As at September 30, 2024	\$ 141,121	\$ 96,590	\$	237,711
As at December 31, 2024	\$ 133,353	\$ 91,065	\$	224,418

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in US dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Topaz Project		Tunu Project		Total
	USA		Greenland		
As at September 30, 2024	\$	345,311	\$	14,062	\$ 359,373
Additions		316,368		-	316,368
As at December 31, 2024	\$	661,679	\$	14,062	\$ 675,741

Topaz Project, USA

In October 2021, the Company entered into a three-year option to lease non-hydrocarbon gases agreement (the "Topaz Option") on 3,132 net acres in Minnesota, USA comprising the Topaz helium project. In consideration, the Company paid \$78,311 on signing of the Topaz Option and agreed to pay \$50,000 on each anniversary of the Topaz Option until October 2024 (\$50,000 paid in September 2022 and \$50,000 paid in September 2023).

In February 2023, the Company partially exercised the Topaz Option to lease 1,040 acres for a period of five years. In consideration, the Company paid \$156,000 cash and agreed to pay a production royalty of 20% (the "Royalty") of the gross sales price of the product sold.

In October 2024, the Company exercised the remaining Topaz Option to lease 2,092 acres for a period of five years, subject to the Royalty. In consideration, the Company paid \$313,868 cash.

In October 2023, the Company entered into a mineral lease agreement with a private mineral rights holder to expand the area of the Topaz project. In consideration, the Company paid \$11,000 on signing and agreed to pay a minimum royalty payment on each anniversary thereafter in the following amounts:

- Years 2-5 - \$2,500 (\$2,500 paid in October 2024)
- Years 6-10 - \$5,000
- Years 11-15 - \$10,000
- Years 16-20 - \$15,000

The minimum royalty payments shall be considered advance royalty and shall be credited to and recoverable from production royalties. The lease is for an initial term of 20 years, extendable up to a maximum of 40 years, subject to conditions. The Company agreed to pay a production royalty of 3%.

A former director of a subsidiary of the Company holds a 0.5% royalty on the Topaz project. The Company has the right to repurchase half of the royalty (0.25%) upon payment of \$100,000.

Tunu Project, Greenland

In October 2021, the Company was granted two exploration licences in Greenland known as the Tunu helium project.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration expenditures

During the three months ended December 31, 2024 and 2023, the Company incurred the following exploration and evaluation expenditures.

	Three months ended December 31,	
	2024	2023
<i>Topaz Project</i>		
Consulting fees	\$ 209,956	\$ 65,500
Drilling and completions	587,241	197,495
Geology and geophysics	180,918	121,262
Regulatory and permitting	60,242	19,024
	1,038,357	403,281
<i>Tunu Project</i>		
Geology and geophysics	7,530	-
Regulatory and permitting	744	-
	8,274	-
	\$ 1,046,631	\$ 403,281

7. WARRANT LIABILITY

	December 31, 2024	September 30, 2024
Balance, beginning of period	\$ 3,798,355	\$ 730,670
Issuance of warrants	-	1,103,988
Exercise of warrants	(106,091)	(6,860,742)
Revaluation	1,430,571	8,824,439
Balance, end of period	\$ 5,122,835	\$ 3,798,355

Share purchase warrants are considered a derivative liability, as the currency denomination of the exercise price is different from the functional currency of the Company.

The warrant liability was revalued as at December 31, 2024 using the Black-Scholes option pricing model with the following assumptions: a stock price of C\$0.70; a risk-free interest rate of 2.93%; an expected volatility of 100%; an expected life of 1.05 years; an exchange rate of 1.4389; a forfeiture rate of zero; and an expected dividend of zero.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES

Authorized

The Company has an unlimited number of common shares without par value authorized for issue.

Issued and outstanding

During the three months ended December 31, 2024, the Company completed the following:

- On October 18, 2024, and concurrent with Admission (Note 1), the Company completed a fundraising through the issuance of 15,500,000 common shares at a price of £0.25 for gross proceeds of \$5,010,985 (£3,875,000).

The Company paid cash finder's fees of \$376,447 (£290,625) and other cash share issue costs of \$115,090 (£88,852).

The Company issued 1,000,000 common shares at a value of \$324,953 for corporate finance fees recorded as share issue costs; 240,000 common shares at a value of \$77,989 for prepaid regulatory costs; and 200,000 common shares valued at \$64,991 for a success fee recorded as listing fees for the three months ended December 31, 2024.

In addition, the Company issued 1,612,500 broker warrants valued at \$395,629. The broker warrants entitle the broker to purchase one common share at a price of £0.25 until October 18, 2029. The fair value of the broker warrants was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.90%; an expected volatility of 100%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

The Company also issued 500,000 warrants valued at \$86,860 and recorded as listing fees for the three months ended December 31, 2024. The warrants entitle the holder to purchase one common share at a price of £0.25 until October 18, 2026. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.97%; an expected volatility of 100%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

- In November 2024, the Company issued 530,434 common shares on the exercise of warrants for gross proceeds of \$136,570. The Company recorded an allocation on exercise of warrants of \$106,091 from warrant liability (Note 7).

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Special Warrants

In August 2024, the Company issued 4,500,000 special warrants ("Special Warrants") at a price of £0.25 per Special Warrant for gross proceeds of \$1,471,245 (£1,125,000). This investment in the Company was completed in conjunction with the Company's admission to trading on AIM (Note 1). The Company paid \$147,127 (£112,500) cash in satisfaction of finder's fees. In October 2024, all of the Special Warrants were converted to common shares of the Company.

Escrow shares

As at December 31, 2024, the Company had 46,426,025 common shares held in escrow, of which 9,285,205 will be released on each of February 15, 2025, August 15, 2025, February 15, 2026, August 15, 2026, and February 15, 2027. The common shares released from escrow on each of February 15, 2025 and August 15, 2025 are subject to lock-in and orderly market arrangements under Rule 7 of AIM ("Rule 7 Lock-Ups") where the common shares may not be disposed of for a period of 12 months from the October 18, 2024 date of Admission.

Warrants

The continuity of warrants exercisable in Canadian dollars for the three months ended December 31, 2024 is as follows:

Expiry date	Exercise price C\$	Balance,	Granted	Exercised	Expired	Balance,
		September 30, 2024				December 31, 2024
January 17, 2026	\$ 0.36	18,067,392	-	(530,434)	-	17,536,958
		18,067,392	-	(530,434)	-	17,536,958
Weighted average exercise price - C\$		\$ 0.36	\$ -	\$ 0.36	\$ -	\$ 0.36

As at December 31, 2024, the weighted average remaining contractual life of the warrants outstanding and exercisable in Canadian dollars was 1.05 years.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Warrants (continued)

The continuity of warrants exercisable in British Pounds for the three months ended December 31, 2024 is as follows:

Expiry date	Exercise price - £	Balance, September 30, 2024	Granted	Exercised	Expired	Balance, December 31, 2024
October 18, 2026	£ 0.25	-	500,000	-	-	500,000
October 18, 2029	£ 0.25	-	1,612,500	-	-	1,612,500
		-	2,112,500	-	-	2,112,500
Weighted average exercise price - £	£	-	£ 0.25	£	-	£ 0.25

As at December 31, 2024, the weighted average remaining contractual life of the warrants outstanding and exercisable in British Pounds was 4.09 years.

Share-based compensation

In November 2023, the Company's shareholders approved a stock option plan (the "Option Plan"). The Option Plan is a 10% "rolling" stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the Company's shareholders approved an equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit (RSU), performance share unit (PSU) or deferred share unit (DSU) granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 7,414,028 common shares of the Company.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Share-based compensation (continued)

Stock options

The continuity of stock options for the three months ended December 31, 2024 is as follows:

		Balance, September 30, 2024	Granted	Exercised	Expired	Balance, December 31, 2024
Expiry date	Exercise price C\$					
February 1, 2029	\$ 0.45	8,800,000	-	-	-	8,800,000
		8,800,000	-	-	-	8,800,000
Weighted average exercise price - C\$	\$	0.45	\$ -	\$ -	\$ -	\$ 0.45

As at December 31, 2024, all stock options were exercisable with a weighted average remaining contractual life of 4.09 years. The sale of 6,350,000 common shares underlying the exercise of 6,350,000 stock options are subject to Rule 7 Lock-Ups.

Performance Share Units ("PSUs")

The continuity of PSUs for the three months ended December 31, 2024 is as follows:

Award date	Balance, September 30, 2024	Granted	Released	Forfeited	Balance, December 31, 2024
February 1, 2024	4,000,000	-	-	-	4,000,000
	4,000,000	-	-	-	4,000,000

In February 2024, the Company awarded 4,000,000 PSUs to four key individuals, including 2,800,000 to two officers of the Company. The PSUs vest as to one-third each on the first, second and third anniversaries of the award date.

The PSUs were valued at \$1,193,674, using a share price of C\$0.40 and an exchange rate of 1.3404. During the three months ended December 31, 2024, \$183,493 of the total amount was recorded as share-based compensation on the statement of loss.

The sale of 2,800,000 common shares underlying the conversion of 2,800,000 PSUs are subject to Rule 7 Lock-Ups.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the three months ended December 31, 2024 and 2023 were as follows:

	Three months ended December 31,	
	2024	2023
Consulting fees		
Chief Executive Officer	\$ 57,700	\$ 45,000
Golden Oak *	41,350	30,134
Executive Chair	31,350	12,500
	130,400	87,634
Director fees	39,150	20,000
Share-based compensation	128,446	-
	\$ 297,996	\$ 107,634

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by the Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.

Related party balances

		December 31,	September 30,
		2024	2024
Chief Executive Officer	Expenses	\$ -	\$ 100
Golden Oak	Expenses	13,055	679
Corporate Secretary	Expenses	730	-
Executive Chair	Fees	25,000	31,250
Directors	Director Fees	38,750	38,750
Total		\$ 77,535	\$ 70,779

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in US dollars)

10. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being exploration and evaluation of helium.

All of the Company's helium exploration and evaluation assets and equipment are located in the USA and Greenland.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		December 31, 2024	September 30, 2024
Cash	Amortized cost	\$ 3,778,024	\$ 1,230,982
Trade and other payables	Amortized cost	(817,118)	(1,177,662)
Warrant liability	FVTPL	(5,122,835)	(3,798,355)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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 value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 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 market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Pulsar Helium Inc.

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For the three months ended December 31, 2024
(Unaudited - Expressed in US dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial Instruments (continued)

The carrying values of cash and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The fair value of the Company's warrant liability is recorded at fair value using Level 3 of the fair value hierarchy. The carrying value of the warrant liability is determined using the Black-Scholes option pricing model.

Risk Management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended September 30, 2024.

12. NON-CASH INVESTING AND FINANCING ACTIVITIES

During the three months ended December 31, 2024, the Company:

- issued 1,000,000 common shares at a value of \$324,953 for corporate finance fees recorded as share issue costs (Note 8);
- issue 240,000 common shares at a value of \$77,989 for prepaid regulatory costs (Note 8);
- issued 1,612,500 broker warrants valued at \$395,629 (Note 8); and
- recorded an allocation on exercise of share purchase warrants of \$106,091 from warrant liability to share capital (Note 8).

During the three months ended December 31, 2023, the Company did not incur any non-cash investing or financing activities.

During the three months ended December 31, 2024, the Company paid interest of \$Nil (2023 - \$Nil) in cash.

During the three months ended December 31, 2024, the Company paid income tax of \$Nil (2023 - \$Nil) in cash.

Pulsar Helium Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in US dollars)

13. SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the Company completed the following:

- In January 2025, the Company issued 217,000 common shares on the exercise of warrants for gross proceeds of C\$78,120.
- On January 9, 2025, the Company completed the first tranche of a brokered private placement through the issuance of 5,263,160 common shares at a purchase price of \$0.38 per share for gross proceeds of \$2,000,000. Proceeds of \$494,000 were received in December 2024 and accordingly were recorded as an obligation to issue shares as at December 31, 2024. In connection with the first tranche, the Company paid a cash finder's fees of \$120,000.
- In January 2025, the Company issued an advisor 282,335 compensation warrants of the Company entitling the holder to purchase up to 282,335 common shares of the Company at an exercise price of C\$0.57 for a term of two years. In addition, the Company paid the advisor a cash advisory fee of \$112,500. Notwithstanding the foregoing, if at any time prior to expiry date of the compensation warrants, the volume weighted average trading price of the common shares on the TSX-V is C\$0.76 or greater for a period of 20 consecutive trading days, the Company may, within 10 business days of the occurrence of the event, accelerate the expiry date of the compensation warrants by giving notice to the holder, and in such case, the expiry date of the compensation warrants shall be the date specified by the Company in the warrant acceleration notice, provided such date shall not be less than 30 trading days following delivery of the warrant acceleration notice.