Perisson Petroleum Corporation

Management Discussion & Analysis (“MD&A”)
the three and nine months ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

November 27, 2025

The following Management’s Discussion & Analysis (“**MD&A**”) of Perisson Petroleum Corporation (“**Perisson**” or the “**Company**”) is provided by its management and reports on the financial condition and the results of operations for the nine months ended September 30, 2025, and should be read in conjunction with the unaudited consolidated financial statements for the three and nine months ended September 30, 2025(“**Statements**”). The Company’s Statements have been prepared in accordance with International Financial Reporting Standard (“**IFRS**”) and all currency amounts are expressed in Canadian dollars except otherwise specifically indicated. Additional information about Perisson can be found at www.sedarplus.ca and www.perisson.com. The Company’s shares are listed on the TSX Venture Exchange under the symbol POG.H. but are currently suspended from trading. The Company is under a failure to file cease trade order (“FFCTO”) issued on July 22, 2021, by the Alberta Securities Commission (“ASC”).

Forward looking statements

Certain statements contained in this MD&A constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “goal”, “predict”, “potential”, “should”, “believe” and similar expressions are intended to identify forward-looking information and statements. The information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information and statements. Such statements reflect the Company’s, as the case may be, current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance, or achievements to vary from those described in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

BOE PRESENTATION

Barrels of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indicated value.

NON-GAAP FINANCIAL MEASURES

Certain measures in this document do not have any standardized meaning as prescribed by GAAP and, therefore, are considered non-GAAP measures. Non-GAAP measures are commonly used in the oil and gas industry and by the Company to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Non-GAAP measures used in this report include the term "Netback" which separately presents royalty which is not shown on the face of the consolidated financial statements. In addition, the Company presents "working capital", "net debt" and "surplus", which is calculated as current liabilities less current assets.

OVERVIEW OF THE BUSINESS

The Company has been involved in the oil and gas industry in both Canada and Columbia over a number of years. The operations in Columbia have historically been in exploration, while the Company had some limited oil and gas exploration, development and production in Canada. Currently the Company has limited interests in oil and gas assets, however, it continues to evaluate and make proposals in the market for new oil and gas asset acquisitions, subject to the ability to secure funding for same. See below for a more detailed description. See also "*Liquidity and Capital Resources*" below.

Management of the Company currently consists of Gary Chen as CEO and Interim CFO, and Wayne Rousch as President. The Company's former CFO Brad Perry, resigned effective January 26, 2024.

CANADA

Historically, Canadian oil and gas exploration, development and operations have been the primary focus of the Company. Effective January 1, 2022, the Company sold its Twining area assets (Alberta), which comprised its main producing oil and gas assets. These assets were originally acquired by the Company in May 2016.

In press releases issued on March 24, 2022, and November 24, 2022, the Company stated that it had bid on several oil and gas packages ranging in values of approximately $50 million in the first instance and was in final negotiations for a $50 million acquisition in the second instance. Unfortunately, neither of these activities resulted in the acquisition of new assets for the Company.

The Company's sole Canadian oil and gas asset currently consists of a minor interest in oil production and wells shut-in pending future abandonment and reclamation. The oil producing asset consists of a 5%-10% interest in the Wainwright Area of Alberta, Canada, which currently produces a net of approximately 2 to 5 barrels per day. The assets contain three producing wells in the McLarin and Colony geological zone located in Wainright, Alberta.

For further information please refer to the Company's oil and gas disclosure for the year ended Deceberm 31, 2024, filed on SEDAR pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities.*

COLOMBIA

By way of background, Perisson had been engaged in the exploration of oil and gas assets in Colombia since late 2012 through the acquisition of its subsidiaries Perisson Petroleum Panama Corporation (incorporated in Panama), Morichal Sinoco, SA ("MSSA") (incorporated in Venezuela) and the latter's Colombian branch. MSSA held an exploration and production license granted by the Agencia Nacional de Hidrocarburos (the government regulator) ("ANH") to the VMM-17 block on March 31, 2009 (the "E&P License"), an area that covers 39,927 hectares located on the western and north western side of the Middle Magdalena Basin, the oldest oil-producing basin in Colombia. The area is approximately 100 km northwest of Bogota, Columbia.

The E&P License had an initial exploration phase with a six-year term commencing from the date of execution. The E&P License was subject to a number of performance conditions, production royalties and was initially set to expire on March 31, 2015. Pursuant to the E&P License, the Company was committed to carrying out a minimum amount of exploration and evaluation work on the property. The E&P License contemplated two phases of development over the 72 months. All first phase work was completed: (i) acquisition, processing and interpretation of 80 KM 2D seismic activities (US$1,043,478) and (ii) acquisition, processing and interpretation of 23 KM 2D seismic activities (US$300,000). The second phase work was yet to be completed and consisted of drilling one slim hole test well and three A3 exploratory wells at an estimated cost of US$1,800,000.

The E&P License was amended on April 12, 2012, to restructure the performance criteria but retained the expiry date of March 31, 2015. The Company was required to obtain an environmental permit from the Autoridad Nacional de Licencias Ambientales in connection with the exploration activities and filed an application on January 29, 2014. While the receipt of the environmental permit was pending, the Company received an extension from ANH on April 23, 2015, for an additional 276 days following receipt of the permit. In April 2015 the ANH issued a suspension order as the environmental permit was still outstanding. On December 17, 2015, the ANH stated the Company had until September 17, 2016, to complete its work obligations. The Company objected and proceeded to negotiate with the ANH. Due to the ongoing uncertainty, Perisson impaired the value of the Columbian assets, writing them down to $1. In August 2017, ANH extended the E&P License for a period of six months to March 18, 2018. Further negotiations ensued and in February 2019, the E&P License was extended to March 2020. While Perisson was in discussions with ANH concerning the timing to spud a slim hole well required to further extend the E& P License, the COVID-19 pandemic hit and restricted the Company's activities in Colombia. The Company was forced to declare force majeure in March 2020. ANH then requested a revised work program in order for them to consider an extension of the E&P License.

During Q2 2023, the Company entered into discussions with ANH and a third party interested in acquiring Perisson's existing operations along with the E&P License. On June 15, 2023, the Company entered into an agreement (the "Offer to Purchase") to transfer its operations in Colombia and the E&P License to a local company in Bogota, Colombia (the "Purchaser"). The consideration consisted of a small upfront payment and a 3% gross overriding royalty from future production from the licensed area, as well as drilling commitments to further delineate two discovery oil pools first identified by Perisson seismic operations several years ago. Conditions to the Offer to Purchase included the assignment of the legal representative in Colombia to the Purchaser, and the filing and acceptance by ANH of a revised work program in order to extend the E&P License. Due to delays associated with negotiation and extension of the E&P License, the Offer to Purchase was amended on June 4, 2024 and January 20, 2025.

On January 24, 2025, Perisson announced that the ANH granted a three-year extension to the E&P License from April 15, 2024 to August 22, 2027, allowing it to proceed to closing the Purchase Agreements. Perisson noted that the terms of the Offer to Purchase were amended to consist of a payment of US$125,000 and a 4% gross overriding royalty from future production from the licensed area up to a maximum of US$5,000,000. Pursuant to the Offer to Purchase, share purchase agreements dated February 21, 2025, were completed and the Company currently only holds the 4% gross overriding royalty as its assets in Columbia.

Summary of Quarterly Results

The following table contains selected financial information for the last eight quarters.

Selected quarterly information	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Oil Production bopd	-	-	-	-	1	1	1	1
Natural Gas Production mcf/d	-	-	-	-	-	-	-	-
Total Production BOE/d	-	-	-	-	1	1	1	1
Revenue, net of royalty	1,851	2,007	2,647	5,012	4,018	10,118	8,270	10,826
Operating costs (recovery)	(25,231)	19,612	10,734	10,152	10,018	34,419	14,602	14,714
Netback	27,082	(17,605)	(8,087)	(5,140)	(6,000)	(24,301)	(6,332)	(3,888)
General and administrative	293,608	168,187	169,654	283,543	209,152	155,323	189,021	291,587
Cash from (used in) operating activities	49,576	(183,038)	178,736	(540)	6,126	(7,139)	114	437,422
Loss and comprehensive (income) loss	2,153,935	2,284,264	1,442,798	2,555,983	1,532,056	1,358,437	1,352,496	2,399,922
Per share – basic and diluted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

In Q1 2024, one of the Company's oil and gas wells experienced a broken rod, which caused a resulting drop in production. The majority of the property tax fees, surface lease fees and insurance fees were booked in Q2 2024, which increased the operating cost for that period. Inventory still in the tank was higher than normal in Q3 2024, which resulted in lower revenue. In Q4 of 2024, the company recorded a bad debt expense of $182,888 related to accounts receivable from joint venture partners and audit fees, which resulted in a higher general and administrative fee for this quarter. In February 2025, the only producing well was shut-in, leading to a decline in both production and revenue. In February 2025, the Company closed the sale of its assets in Colombia, which resulted in an increase in cash of US$125,000 from operating activities. The Company had no production in Q2 2025; however, the majority of property tax, surface lease, and insurance expenses were booked in this quarter, leading to a comparatively higher net loss. In Q3 2025, the company settled the outstanding surface lease fee with a freehold royalty owner, resulting in a reversal of $32,000 in surface lease fees, which caused operating recovery.

Netbacks unaudited	Three months ended Sep. 30		Nine months ended Sep. 30	
	2025	2024	2025	2024
Revenue				
Oil	$ 1,851	$ 6,094	$ 6,539	$ 25,548
Natural gas	-	(955)	-	(955)
Revenue	1,851	5,139	6,539	24,593
Royalty expense	-	(1,121)	(34)	(2,187)
Revenue, net of royalty	1,851	4,018	6,505	22,406
Operating expense	25,231	(10,018)	(5,115)	(59,039)
Netback	$ 27,082	$ (6,000)	$ 1,390	$ (36,633)

Production				
Oil bopd	-	1	-	1
Gas mcf/d	-	-	-	-
BOE/d	-	1	-	1

Revenue per BOE				
Oil $/barrel	$ -	$ 129.66	$ 817.38	$ 115.08
Natural gas $/mcf	-	-	-	-
$/BOE	-	109.34	817.38	110.78
Royalty expense per BOE	-	(23.85)	(4.25)	(9.85)
Net Revenue per BOE	-	85.49	813.13	100.93
Operating expense per BOE	-	(213.15)	(639.38)	(265.94)
Netback per BOE	$ -	$ (127.66)	$ 173.75	$ (165.01)

In Q3 2024, the Company still had a well with consistent production. However, in February 2025, the only producing well was shut-in in leading to a decline in production in Q2 2025. As there was no production in Q2 2025, there was no resulting data on a per BOE revenue, costs, or netback basis. Operating costs per boe appear very high but this is a result from the correspondingly low production levels. . In Q3 2025, the company settled the outstanding surface lease fee with a freehold royalty owner, resulting in a reversal of $32,000 in surface lease fees, which caused operating recovery.

General & adminstrative expense unaudited	Three months ended Sep. 30		Nine months ended Sep. 30	
	2025	2024	2025	2024
Salaries	$ 50,002	$ 50,000	$ 150,003	$ 149,995
Professional and consulting fees	186,888	100,158	334,688	241,105
Accommodation and travel	46,360	49,102	101,937	113,072
Listing fees	3,299	3,275	13,862	10,505
Office and general	7,059	6,617	30,959	38,819
Total	$ 293,608	$ 209,152	$ 631,449	$ 553,496

Professional and consulting fees

The company started working on a property acquisition in Q2 2025. In Q3 2025, the acquisition was undergoing the legal due diligence process, which caused higher legal fees. However, the deal was not closed.

Consolidated Statements of Financial Position

	Nine months ended Sep. 30, 2025	Year ended Dec. 31, 2024
Current assets	278,235	172,415
Current liabilities	28,513,964	23,510,144
Working capital (deficit)	(28,235,729)	(23,337,729)

Current Assets

Current assets increased slightly in YTD 2025 compared to YE 2024, but there is no material difference.

Management believes that cash is available to the Company as it can raise funds through additional debt financing.

Current and Total Liabilities

Current liabilities increased in YTD 2025 compared with YE 2024 as the Company's CEO Gary Chen advanced funds. See "*Key Management Compensation and Related Party Transactions*" below.

The Company has cash-generating oil and gas assets but relies on debt related financing to fund its operations. As of September 30, 2025, approximately $2,725,582 of accounts payable (YE 2024 - $1,764,110) were over 90 days outstanding.

As of September 30, 2025, the Company has debentures, and accrued interest obligations of $ 34,313,891 (YE 2024 - $28,910,074). Below is a summary of the debentures that are outstanding. See Note 6 to the financial statements for the period ended September 30, 2025, for additional details.

Debentures unaudited	Nine months ended September 30 2025	Year ended December 31 2024
Debentures outstanding, beginning of year	$ 9,137,558	$ 8,263,107
Plus accretion	735,418	735,070
Principal FX Adjustment for Series "C", "E"	305,564	139,381
	10,163,540	9,137,558
Less: current portion	(4,243,977)	(3,325,009)
Debentures outstanding, long-term, end of period	$ 5,919,563	$ 5,812,549

Interest Payable unaudited	Nine months ended September 30 2025	Year ended December 31 2024
Interest payable, beginning of year	$ 19,772,516	$ 14,915,571
Plus interest expense	4,190,028	4,831,612
Less interest payments	(39,742)	(32,242)
FX Adjustment for Series "C", "E"	227,549	57,575
	24,150,351	19,772,516
Less: current portion	(20,702,964)	(17,199,577)
Interest payable, long-term, end of period	$ 3,447,387	$ 2,572,939

The Company is in breach of a number of provisions under the debentures and certain of the debentures remain unpaid despite becoming due on their maturity dates. For a complete description of the debentures outstanding and the various defaults, please refer to Note 6 to the financial statements. The Company maintains a good relationship with the holders of its debentures, however, it will need to raise considerable capital in order to repay the debentures and cure any defaults that exist under the debentures. There is a risk that some or all of the holders of the debentures may seek remedies for the breach of the debentures or may seek to enforce repayment of some or all of the debentures. Without securing additional funds, the Company would not have an ability to cure the defaults or repay the debentures and such events would have a material adverse effect on the Company's business.

Liquidity and Capital Resources

This MD&A has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

The Company incurred a net loss of $5,880,997 and cash provided by operating activities of $45,274 for the nine months ended September 30, 2025, and has a working capital deficit of $28,235,729 as at September 30, 2025. The Company must secure sufficient external funding to meet its obligations and commitments as they come due to pay ongoing general and administrative costs. This external funding may be achieved in a number of ways, including, but not limited to, the issuance of new debt to acquire cashflow generating properties or to pay obligations when due, expenditure reductions, and the introduction of new joint venture partners or business combinations. While historically, management was successful in securing financing, there can be no assurance it will be able to do so in the future or that these sources of funding or other initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new external funding, the Company may be unable to continue as a going concern.

These aforementioned circumstances indicate the existence of a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

Historically, the Company has been able to rely on its ability to raise financing in public or privately negotiated debt offerings. The Company may also elect to advance the exploration of its property through joint-venture drilling contracts, which would reduce Perisson's share of the potential future revenues from the project.

Although the Statements have been prepared assuming Perisson is a going concern, the above-noted facts and circumstances indicate the existence of a material uncertainty that casts significant doubt on its ability to continue as a going concern. The Statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses or financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

See Note 3, going concern, in the notes to the consolidated financial statements for the period ended September 30, 2025.

Off Balance Sheet Instruments

The Company has not entered into any significant off-balance sheet arrangements or commitments.

Key Management Compensation and Related Party Transactions

The Company has identified its directors and officers as its key management personnel.

At September 30, 2025, the balance due to officers and directors totalled approximately $120,461 (September 30, 2024 – $529,832) and consisted of salary payable and reimbursement for expenses. This balance is included in accounts payable and accrued liabilities on the consolidated statements of financial position. These balances due to and due from related parties are unsecured, non-interest bearing and due on demand.

During 2017 and 2018, the Company issued an aggregate of $7 million Canadian-denominated debentures to an entity controlled by the Company's CEO. During 2021, the Company issued a $500,000 US-denominated debenture to and entity controlled by the Company's CEO. In addition, during 2022 and 2023, the Company issued EUR-denominated debentures to an entity controlled by the Company's CEO. On the Company's balance sheet, CAD $3,853,745 (2024 YE - CAD $3,965,137) are included in long-term debentures. The EUR-denominated debentures are unsecured and were issued at market rates. For further details see Note 6.

During 2025, the Company received advances totalling CAD $903,126 (2024 YE - $780,000), from the Company's CEO, Gary Chen. These amounts have been included in the Company's accounts payable, however, there is currently no agreement in place covering the repayment of these funds to Mr. Chen.

Significant Accounting Estimates, Judgments and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. These judgments and estimates are continually evaluated and are based on management's experience and knowledge of the relevant facts and circumstances, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the Statements are disclosed in the consolidated financial statements for the nine months ended September 30, 2025, see note 5.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized on the Statements of Financial Position at the time the Company becomes a party to the contractual terms and provisions of the financial instrument.

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired. A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i. those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive loss (“FVTOCI”); and
ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive loss (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i. amortized cost;
ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required
iii. FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial instruments classified and measured as follows:

Financial Instruments	Category under IFRS 9
Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost
Due from/to related parties	Amortized cost

Convertible preference shares are classified as a non-derivative financial liability based on the terms of the contract. Upon issuance, convertible preference shares are recognized at fair value. Subsequently, they are measured at amortized cost until extinguished through conversion or redemption.

Accounts Receivable and expected credit loss

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the creditworthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into a fair value evaluation hierarchy. This hierarchy groups financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;

Level 2 – Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the assets or liabilities that are not based on observable market data.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company's cash is categorized as Level 1.

Perisson is exposed to various financial risks resulting from both its operations and its investments activities. Perisson has not entered into any financial instrument agreements, including derivative financial instruments.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's general risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as currency and interest rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's current policy is to invest excess cash in certificates of deposit of major Canadian chartered banks. The Company does not consider there to be significant exposure to interest rate risk related to cash or restricted assets due to their short-term nature. The Company's issued debentures are fixed rate financial instruments and therefore are not subject to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and accounts receivable. The Company limits its exposure to credit loss by depositing its cash and restricted assets with Canadian financial institutions with credit ratings of A+. The Company has limited exposure to credit risk related to its receivables due from Canadian provincial and federal governments of approximately $12,903 (YE 2024 – $38,890). Additional receivable amounts relate to normal oil and gas operations.

As at September 30, 2025, $125,899 (YE 2023 - $38,191) of the Company's trade receivables are considered past due (more than 31 days old). The remaining balance is expected to be fully collected.

Liquidity and Capital Resource

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking harm to its reputation.

At September 30, 2025, the Company has a working capital deficit of $28,235,729 and requires additional financing to meet its short-term obligations.

The Company endeavours to have sufficient working capital available to meet its day-to-day obligations and outstanding commitments. However, due to the disposition of its primary cash generating assets at Twining and the current working capital deficit, management estimates that funds available will not be adequate to meet the Company’s requirements and budgeted expenditures through September 30, 2025 (see Note 3 to the financial statements for the period ended September 30, 2025).

The Company is under a failure to file a cease trade order (“FFCTO”) issued on July 22, 2021, by the Alberta Securities Commission (“ASC”), which restricts the Company’s ability to issue or trade its common shares. The Company submitted an application on October 13, 2023, to have the FFCTO revoked.

Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt to acquire cashflow generating properties or to pay obligations when due, expenditure reductions, and the introduction of new joint venture partners or business combinations. While management has been successful in securing debt financing in the past, there can be no assurance it will be able to continue to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

Contractual undiscounted cash flow requirements for contractual obligations as at September 30, 2025 are due as follows:

	Total	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More Than 5 Years
Accounts payable and accrued liabilities	$ 3,527,023	$ 3,527,023	$ -	$ -	$ -	$ -	$ -	$ -
Interest payable	20,702,964	20,702,964	-	-	-	-	-	-
Accrued interest	3,447,387	-	-	-	-	3,447,387	-	-
Current debenture	6,435,028	6,435,028	-	-	-	-	-	-
Long-term debentures	3,853,745	-	-	-	-	3,853,745	-	-
Total	$ 37,966,147	$ 30,665,015	$ -	$ -	$ -	$ 7,301,132	$ -	$ -

Adoption of new accounting standards

IAS 1 Amendments – Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

IAS 7 Amendments – Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity’s liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The Company assessed the impact of the amendment and determined there to be no material impact on the consolidated financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The Company assessed the impact of the amendment and determined there to be no material impact on the consolidated financial statements.

New accounting standards not yet effective

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Annual Improvements

In July 2024, the IASB issued IFRS Accounting Standards Annual Improvements – Volume 11, which clarifies wording, correcting minor consequences, oversights, or conflicts among requirements in the Standards. The amendments affect IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 7 – Financial Instruments: Disclosures, IFRS 9 - Financial Instruments, IFRS 10 -Consolidated Financial Statements, and IAS 7 - Statement of Cash Flows. These amendments will be effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Outstanding Share Data

As at the date of this document, the Company had 912,156,570 common shares issued and outstanding, no stock options issued and outstanding, and no warrants issued and outstanding.

Subsequent events

NA

Proposed transactions

There are no proposed transactions as at the date of this document.

Risk Factors

Going Concern and Financing

The Company incurred a net loss of $5,880,997 and cash provided by operating activities of $45,274 for the nine months ended September 30, 2025, and has a working capital deficit of $28,235,729 as at September 30, 2025. The Company must secure sufficient external funding to meet its obligations and commitments as they come due to pay ongoing general and administrative costs. This external funding may be achieved in a number of ways, including, but not limited to, the issuance of new debt to acquire cashflow generating properties or to pay obligations when due, expenditure reductions, and the introduction of new joint venture partners or business combinations. While management continues to be successful in securing financing, there can be no assurance it will be able to do so in the future or that these sources of funding or other initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new external funding, the Company may be unable to continue as a going concern.

The Company is currently in default of certain of its debentures. Action taken by debenture holders to enforce their indebtedness would have a material adverse impact on the business of the Company and its ability to continue operations.

Overview

The Company's primary business consists of the exploration and development of oil and gas properties in western Canada and previously in Colombia, however, the Company currently holds limited oil and gas assets. There are a number of inherent risks associated with the exploration, development and production of petroleum and gas reserves, many of these risks associated with the exploration, development and production of petroleum and gas reserves, are beyond the control of the Company.

To mitigate these risks the Company intends to focus its activities within regions of its staff's area of expertise. The Company believes it has access to a slate of full-time professionals, consultants and industry specialists both in Canada and worldwide as required.

The Company considers that, to be able to reduce risk, it must ensure that it acts as the operator of any of its exploration and producing properties. This will allow Perisson to manage its capital resources on a monthly and annualized basis, in the most efficient manner necessary, with a focus on insuring that only the most defined opportunities are provided the capital required.

The Company's operations are currently confined to known geological settings that are prospective for oil and gas and exploration activities that are well understood and are within the capacity of Perisson's staff and their associated teams of professionals and services.

Oil and Gas Exploration and Development – General

Exploration, appraisal and development of petroleum and gas reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration or appraisal of the properties in which the Company holds or obtains rights will lead to a commercial discovery or, if there is commercial discovery, that the Company will be able to realize such reserves as intended. Few properties that are explored are ultimately developed into new reserves.

The Company believes that pursuing a diversified production base both geographically and by commodity would provide a shelter from abrupt events, but if at any stage the Company is precluded from pursuing its exploration or development programmes, or such programmes are otherwise not continued, the Company's business, financial condition and/or results of operations and, accordingly, the trading price of the common shares, is likely to be materially adversely affected.

Oil and gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration or development activities by the Company will result in discoveries of oil, condensate or natural gas that are commercially or economically possible. It is difficult to project the costs of implementing any exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The Company's operations are subject to the general risks of exploration, development and operation of petroleum condensate and natural gas properties and the drilling of wells thereon, including encountering unexpected formations or pressure, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on the Company. The Company may become subject to liability for pollution, blow-outs or other hazards. The payment of such liabilities could reduce the funds available to the Company or could result in a total loss of its properties and assets.

Petroleum and natural gas exploration and development activities are dependent on the availability of skilled personnel, drilling and related equipment in the particular areas where such activities will be conducted. Demand for such personnel or equipment, or access restrictions, may affect the availability of such equipment to the Company and may delay exploration and development activities.

Uninsurable Risks

In the course of exploration, development and production of petroleum and gas properties, certain risks, and in particular, blowouts, pollution, and premature decline of reservoirs and invasion of water into producing formations may occur. Hazards such as unusual or unexpected geological formations, pressures or other conditions may be encountered in drilling and operating wells as the Company will initially have interests in a limited number of properties, such risk is more significant than if spread over a number of properties. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company. Insurance against damages caused by terrorism, and acts of war, is generally not available.

Although the Company intends to obtain insurance to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects. There can be no assurance that insurance will be available in the future.

Industry Risks

The Company's ability to acquire reserves will depend on its ability to select and acquire suitable producing properties or prospects. Competitive factors in the distribution and marketing of petroleum and gas include price methods and reliability of delivery. The marketability of oil and natural gas produced by the Company, if any, will also be affected by numerous other factors beyond the control of the Company. These factors include market fluctuations, the world price of petroleum, the supply and demand for oil and natural gas, the proximity and capacity of petroleum and natural gas pipelines and processing equipment and government regulations, including regulations relating to prices, taxes, royalties, land tenure, production allowable, the import and export of petroleum and natural gas and environmental protection. The effect of these factors cannot be accurately predicted.

Prices and Markets for Crude Oil, Condensate and Natural Gas

Petroleum condensate and natural gas are commodities whose prices are determined based on global demand, supply and other factors all of which are beyond the control of the Company. World prices for oil and condensate have fluctuated widely in recent years. Future price fluctuations in world petroleum prices will have a significant impact upon the projected revenue of the Company and the projected return from and the financial viability of the Company's existing and future reserves.

Alternatives to/Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices will reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products and any major changes would have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

Competition

The petroleum and gas industry is intensely competitive and the Company will compete with a substantial number of other companies, many of which have greater financial resources. Many such companies not only explore for and produce petroleum, condensate and natural gas, but also carry on refining operations and market petroleum and other products on a global basis. There is also competition between the petroleum industry and other industries supplying energy and fuel to industrial, commercial and individual consumers.

There is no assurance that the Company will be able to successfully compete against such competitors.

Governmental Regulation

The petroleum and gas business is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possible expropriation or cancellation of contract rights, as well as with respect to prices, taxes, export quotas, royalties and the exportation of petroleum and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the petroleum and gas industry could reduce demand for petroleum and natural gas, increase the Company's costs and have a material adverse effect on the Company.

Permits and Licenses - General

The operations of the Company may require licenses and permits for various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and operations of its projects.

Permits and Licenses – Colombia

Following a disposition of its interests in Columbian in February 2025, the Company retained a 4% gross overriding royalty interest in production associated with the E&P License up to a maximum of US$5 million. The exploration term of the E&P Licenses combined two phases (Phase 1 and Phase 2) with a duration of 72 months in total, which was extended a number of times, with an additional extension granted to August 2027. The Company's ability to receive any revenue from the royalty is now completely outside of its control and dependent upon a third party's ability to perform the various requirements pursuant to the E&P License.

Environmental Regulation

The Company's operations are, and its future operations will be, subject to environmental regulations promulgated by the Government of Alberta or other governments from time to time in the regions where the Company carries on business. Current environmental legislation in Canada provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with petroleum, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement, and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditures, and breaches of such regulations may result in the imposition of fines and penalties, any of which may be material. There can be no assurance that these environmental costs will not have a material adverse effect on the Company's financial condition or results of operations in the future.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the quoted market price, if any, for the Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the Company.

Dilution and Future Sales of Common Shares

The Company may issue additional shares in the future, which may dilute a shareholders holding in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series and shareholders will have no pre-emptive rights in connection with further issuances. The directors of the Company have the discretion to determine the provisions attaching to any series of preferred shares and the price and terms of further issuances of Common Shares.

No Assurance of Title

Title to or rights in petroleum and gas properties may involve certain inherent risks due to problems arising from the ambiguous conveyance history characteristic of many such properties. Although the Company will conduct reasonable investigations (including the employment of local legal counsel to inform itself as to the status of properties) with respect to the validity of ownership of and the ability of sellers to transfer interests to it, there can be no assurance that it will hold good and marketable title to all of its properties. If a title defect does exist, it is possible that the Company may lose all or a portion of its interest in properties to which the titles defect relates.

Reserve Replacement

The Company's future petroleum and natural gas reserves, production and cash flows to be derived therefrom are highly dependent on the Company successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time, and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of petroleum and natural gas. Should the Company not discover additional reserves, current operations may not be sustainable.

Reliance on Strategic Relationships

The Company's existing business relies on relationships with local government bodies and, other petroleum and gas companies. There can be no assurances that these strategic relationships will continue to be maintained, although at present management is not aware of any issues regarding its strategic relationships.

Conflicts of Interest

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the oil and gas industry, and situations may arise where directors, officers and promoters will be in direct conflict with the Company. All such activities that the Company deems are a conflict have been disclosed in accordance with, and as such if necessary are subject to the procedures and remedies as apply under the *Canada Business Corporations Act*.

Additional information

Further information related to the Corporation is available on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be accessed at www.sedarplus.ca. For additional information, the Corporation's website can be found at www.perisson.com