Global Helium Corp.

Consolidated financial statements

For the Years-Ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Helium Corp.

Opinion

We have audited the consolidated financial statements of Global Helium Corp. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) 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 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 audit 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of $3,475,650 during the year ended December 31, 2024 and, as of that date, the Company had an accumulated deficit of $17,458,402. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 for the year ended December 31, 2024. 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of impairment indicators and impairment of Exploration and Evaluation Assets

Refer to Note 2(c)(iii) - Material accounting policies – Use of estimates, significant judgments and assumptions; Note 2(g) - Material accounting policies – Exploration and Evaluation expenditures; and Note 5 - Exploration and Evaluation assets.

The Company has exploration and evaluation assets of $4,655,463 as at December 31, 2024. (December 31, 2023 - $6,307,630) which relates to the Company's three material cash generating units ("CGU's") - Alberta, Saskatchewan and Montana. The Company evaluates at each reporting date the existence of impairment indicators and if any such indicators exist, then the CGU's recoverable amount is estimated. Indicators of impairment would normally include, but are not limited to the following factors:

- exploration rights have expired or will expire in the near future;
- no significant future exploration expenditures are foreseen;
- no commercially viable quantities are discovered and exploration and evaluation activities will be discontinued; and
- exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

Impairment indicators were identified by management for the Saskatchewan and Montana CGU's at December 31, 2024, and impairment totalling $2,828,594 was recorded.

We identified the assessment of indicators of impairment and the resulting impairment of exploration and evaluation assets as a key audit matter. This matter represented an area of significant risk given the magnitude of the exploration and evaluation asset balance and the related impairment expense and the significant judgments made by management in assessing indicators of impairment resulting in a high degree of subjectivity and significant effort in performing audit procedures related to these management judgments.

How the matter was addressed in the audit:

Our approach to addressing the matter involved the following procedures, among others:

- We evaluated that the Company's assessment of the existence of indicators of impairment was consistent with the Company's press releases, evidence obtained in other areas of the audit including results of exploration activities;
- We assessed the status of the Company's rights to explore by inspecting license renewals, discussing with management if any rights were not expected to be renewed and assessed whether the Company has incurred all relevant expenditures to keep Helium rights in good standing with government authorities or other third parties;
- We evaluated the status of the Company's exploration and evaluation areas by having discussions with management regarding planned activity for the upcoming year to determine whether the Company has plans to incur further exploration and evaluation expenditures; and
- We evaluated the inputs into the impairment calculation for reasonableness and assessed the mathematical accuracy of said calculations.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis (MD&A) , but does not include the financial statements and our auditor's report thereon.

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 audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report.] If, based on the work we have performed, 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 International Financial Reporting 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Kirk Roworth.

RSM Canada LLP

Chartered Professional Accountants
February 21, 2025
Calgary, Alberta

Global Helium Corp.
Consolidated Balance Sheets
(Expressed in Canadian dollars)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		$ 535,229	$ 2,786,328
Amounts receivable	4,15(a)	51,694	168,122
Prepaids		94,191	151,244
Total current assets		681,114	3,105,694
Non-current assets			
Exploration and evaluation assets	5	4,655,463	6,307,630
Property and equipment	6	-	10,678
Total non-current assets		4,655,463	6,318,308
TOTAL ASSETS		$ 5,336,577	$ 9,424,002
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 674,319	$ 784,893
Lease obligation	8	-	6,941
Preferred shares	9	4,673,854	3,909,565
Preferred share derivative	9	351,158	1,999,492
Total current liabilities		5,699,331	6,700,891
Non-current liabilities			
Decommissioning liabilities	10	95,280	95,315
TOTAL LIABILITIES		5,794,611	6,796,206
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	11(b)	11,434,738	11,434,738
Warrants	11(c)	2,029,310	2,029,310
Contributed surplus		3,291,590	2,901,770
Accumulated other comprehensive income		244,730	98,634
Accumulated deficit		(17,458,402)	(13,836,656)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(458,034)	2,627,796
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 5,336,577	$ 9,424,002

Nature, continuance of operations and going concern - Note 1

Approved by the Board of Directors
"Kevin Cameron" , Director
"Jesse Griffith", Director

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

Global Helium Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Expenses			
Consulting fees and salaries		$ 256,536	$ 387,182
Depreciation	6	10,678	51,468
Exploration and evaluation	5	2,828,594	987,290
Foreign exchange		271,183	(28,810)
General and administrative		278,740	260,918
Finance expense, net	19	364,080	46,936
Investor relations		28,344	100,056
Management fees, salaries, and benefits	13	538,751	457,575
Professional fees		194,157	217,686
Regulatory		47,981	52,490
Software licensing		66,466	65,359
Stock-based compensation	11(e)	389,820	214,950
Total Expenses		$ 5,275,330	$ 2,813,100
Other items			
Rent income		(5,250)	(31,500)
Unrealized (gain) loss on preferred share derivative	9	(1,648,334)	1,999,492
Net loss		$ 3,621,746	$ 4,781,092
Other Comprehensive items			
Foreign currency translation adjustment		(146,096)	47,655
Comprehensive loss		$ 3,475,650	$ 4,828,747
Loss and comprehensive loss per share - basic and diluted	11(d)	$ 0.08	$ 0.10

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

Global Helium Corp.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

2024

	Note	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity (Deficiency)
Balance - December 31, 2023		$ 11,434,738	$ 2,029,310	$ 2,901,770	$ 98,634	$ (13,836,656)	$ 2,627,796
Stock-based compensation	11(e)	-	-	389,820	-	-	389,820
Currency translation		-	-	-	146,096	-	146,096
Loss for the year		-	-	-	-	(3,621,746)	(3,621,746)
Balance - December 31, 2024		$ 11,434,738	$ 2,029,310	$ 3,291,590	$ 244,730	$ (17,458,402)	$ (458,034)

2023

	Note	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity (Deficiency)
Balance - December 31, 2022		$ 11,237,938	$ 3,585,268	$ 1,147,662	$ 146,289	$ (9,055,564)	$ 7,061,593
Shares issued on option exercises	11(b)	196,800	-	(16,800)	-	-	180,000
Expiration of warrants	11(c)	-	(1,555,958)	1,555,958	-	-	-
Stock-based compensation	11(e)	-	-	214,950	-	-	214,950
Currency translation		-	-	-	(47,655)	-	(47,655)
Loss for the year		-	-	-	-	(4,781,092)	(4,781,092)
Balance - December 31, 2023		$ 11,434,738	$ 2,029,310	$ 2,901,770	$ 98,634	$ (13,836,656)	$ 2,627,796

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

Global Helium Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2024	Year ended December 31, 2023
Operating activities			
Net loss		$ (3,621,746)	$ (4,781,092)
Items not affecting cash:			-
Stock-based compensation	11(e)	389,820	214,950
Depreciation	6	10,678	51,468
Non-cash financing and accretion	19	402,734	56,329
Exploration and evaluation	5	2,828,594	987,290
Unrealized (gain) loss on preferred share derivative	9	(1,648,334)	1,999,492
Foreign exchange		194,046	(58,022)
Change in non-cash working capital items:			-
Amounts receivable		116,428	(105,866)
Prepaids		57,053	(78,480)
Accounts payable and accrued liabilities		23,479	73,731
Net cash used in operating activities		$ (1,247,248)	$ (1,640,200)
Investing activities			
Exploration and evaluation expenditures	5	(1,034,135)	(3,481,229)
Change in non-cash working capital items:			-
Accounts payable and accrued liabilities		(134,053)	626,411
Net cash used in investing activities		$ (1,168,188)	$ (2,854,818)
Financing activities			
Proceeds from preferred share issuances	9	-	4,000,744
Proceeds from option exercises	11(b)	-	180,000
Lease repayments		(6,941)	(40,042)
Net cash from (used in) financing activities		$ (6,941)	$ 4,140,702
Effect of exchange rate changes on cash		171,278	(90,170)
Change in cash and cash equivalents		(2,251,099)	(444,486)
Cash and cash equivalents, beginning of year		2,786,328	3,230,814
Cash and cash equivalents, end of year		$ 535,229	$ 2,786,328

Supplemental disclosure with respect to cash flows - Note 18

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

1. Nature, continuance of operations and going concern

Global Helium Corp. (the "Company") is an early-stage company incorporated in Canada on November 13, 2020, focused on the exploration, acquisition and development of helium resources. The address of the Company's head office is 800, 555-4th Ave SW, Calgary, AB, T2P 3E7. The consolidated financial statements were authorized for issue on February 21, 2025, by the board of directors of the Company. The Company received approval for a listing on the Canadian Securities Exchange ("CSE") under the symbol "HECO" and commenced trading on May 19, 2021. As of September 22, 2021, the Company was approved to trade in the over-the-counter (OTC) market in the United States under the symbol "HECOF."

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that cast significant doubt upon the use of the going concern assumption. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

For the year-ended December 31, 2024, the Company had a comprehensive loss of $3,475,650 (December 31, 2023 – $4,828,747) and has an accumulated deficit of $17,458,402 since inception. The Company has not yet reached production from its exploration activities.

Due to the factors mentioned above, there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that may be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and such adjustments could be material.

2. Material accounting policies

(a) Basis of presentation and measurement

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

The consolidated financial statements have been prepared on a historical cost basis except as otherwise stated and allowed for in accordance with IFRS.

These consolidated financial statements are presented in Canadian dollars.

(b) Basis of consolidation

On November 10, 2021, the Company incorporated a 100% owned US subsidiary to support its activities in the United States.

These consolidated financial statements include the accounts of Global Helium USA Corp., a 100% wholly owned US subsidiary controlled by the Company. Control exists when the Company has the power to, directly or indirectly; to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(c) Use of estimates, significant judgments, and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's consolidated financial statements include:

i. Going-concern - the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
ii. Cash-generating units ("CGUs") - The Company's exploration and evaluation assets are aggregated into cash-generating units for calculating impairment, based on their ability to generate largely independent cash flows. The classification of assets into CGU's requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Company's operations;
iii. Exploration and evaluation assets – The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of resources have been found in assessing economic viability and technical feasibility;
iv. Leases - Judgments are required to determine if a contract is, or contains, a lease. These judgments require an assessment of whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Judgment is also required to determine the interest rate used to discount the lease payments; and
v. Decommissioning liabilities - the Company estimates the decommissioning obligations for its wells. Amounts recorded for the decommissioning obligations require assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, inflation estimates, and where discounting is required, the estimate of the specific discount rates for these liabilities in order to determine the present value of these obligation settlements.
vi. Stock-based compensation – The amounts recorded for stock-based compensation expense relating to the fair value of stock options issued are estimated using the Black-Scholes option pricing model including management's estimates of the future volatility of the Company's share value, estimated market value of the Company's shares at grant date, expected forfeiture rates, expected lives of the options (based on general holder behavior) and the risk-free interest rate (based on government bonds).
vii. Derivatives – Estimates of the fair value of the Company's preferred share derivative is dependent on the estimated market value of the Company's shares, the future volatility of the Company's share value, expected future dividends, the expected holding period before conversion to equity, and the risk-free interest rate.

(d) Business combinations

Business combinations are accounted for using the acquisition method when the acquisitions of companies and /or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities are measured initially at their fair value at the date of acquisition. The fair value of exploration and evaluation assets and property and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. The market value of helium interests is estimated with reference to discounted cash flows expected to be derived from helium production based on internally and externally prepared reserve reports as well as estimates of market values of undeveloped lands. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred.

(e) Foreign currencies

The presentation currency of the Company is the Canadian dollar, which is the functional and presentation currency of the parent company. The functional currency for a subsidiary is the currency of the primary economic environment in which the subsidiary operates. As of December 31, 2024, the functional currency was determined to be the United States dollar for the Company's US subsidiary.

(f) Cash and cash equivalents
Cash and cash equivalents consist of cash balances on deposit with banks along with highly liquid term deposits and similar instruments with initial maturities of 90 days or less.

(g) Exploration and evaluation expenditures

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of its properties incurred subsequent to the acquisition of legal rights to explore, including surveying, exploratory drilling and similar costs, are capitalized by property. Exploration and evaluation assets are not depreciated.

Once technical feasibility and commercial viability of a property has been established, the property is considered to be a development property and is classified as helium assets in property and equipment. The carrying value of the property is tested for impairment before the expenditures are transferred to property and equipment. General and administrative costs are expensed as incurred.

When a property is abandoned, all related costs are written off or derecognized. Management reviews exploration and evaluation assets at each reporting date to determine if facts and circumstances indicate that the carrying amount of the assets might exceed their recoverable amount. If these conditions exist, the Company would perform an impairment test and record the impairment if the carrying amount exceeds the greater of the fair value and value in use of the assets.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to explore and complete the development of the properties, and future profitable production from the disposition of the helium produced from the properties or by sale.

Exchanges, swaps and farm-outs that involve only exploration and evaluation assets are accounted for at cost. Any gains or losses from the disposal of exploration and evaluation assets are recognized in profit or loss.

(h) Decommissioning liabilities

Obligations for dismantling, decommissioning and site disturbance remediation may arise because of the Company's activities. Once it is determined that an obligation exists, a decommissioning obligation is recorded for the estimated cost of site restoration, with the offset capitalized in the relevant asset category. Decommissioning obligations are measured at the present value of management's best estimate of the expected expenditures, including the timing, that is required to remediate the property. The decommissioning obligation reflects current market assessments of the time value of money and the risks specific to the liability. The discount rates used to present value the obligation is based on the risk-free rate associated with the currency by which payment is most influenced. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time, changes in the estimated future cash flows underlying the obligation, and for changes in discount and inflation rates as required. These changes are accounted for prospectively. The increase in the decommissioning obligation due to the passage of time is recognized as finance costs (accretion) whereas increases/decreases due to changes in the estimated future cash flows are capitalized and amortized based on the methodology that is consistent with the asset to which it is capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. Should the asset to which the obligation is related, be disposed of, the decommissioning obligation associated with it is derecognized.

(i) Leases

At 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: the contract involves the use of an identified asset; the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and, the Company has the right to direct the use of the asset.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. Leases to explore for or use crude oil, natural gas, minerals and similar non regenerative resources, including helium, are also exempt from the standard. The Company treats lease payments for these types of leases as an expense when incurred, over the lease term. The Company recognizes a right of use asset and a lease liability at the commencement date of the lease contract, which is the date that the lease asset is available to the Company. The lease asset is initially measured at cost. The cost of a lease asset includes the amount of the initial measurement of the lease liability, lease payments made at or before to the commencement date less any incentives received, initial direct costs and estimates of the decommissioning liability, if any. Subsequent to initial recognition, the lease asset is depreciated using the straight-line method over the earlier of the end of the useful life of the lease asset or the lease term. A lease obligation is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date discounted using the rate implicit in the lease or the Company's incremental borrowing rate if the implicit rate is not readily available. Lease payments that are present valued include fixed payments, less any lease incentives receivable, variable lease payments that are based on index or rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option that is reasonably certain of exercise and payment of penalties for terminating a lease if the lease term reflects exercising that option. Interest expense is recognized on the lease obligations using the effective interest rate method and payments are applied against the lease obligation. Optional renewal periods, or periods which are cancellable by the Company, are included in the lease payments if the Company is reasonably certain to exercise the renewal option or not cancel the lease. The lease liability is measured at amortized cost using the effective interest method. The lease liability is re-measured when there is a change in the Company's assessment of the expected lease term or if there is a lease modification.

(j) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognized as a deduction from equity, net of any tax effects.

Preferred shares have been classified as liabilities based on their attributes.

(k) Share-based payments

The Company may make periodic grants of stock options to selected directors, officers, employees, and others providing a similar service. The fair value of the options is determined at the date of the grant using the Black-Scholes option pricing model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statement of loss and comprehensive loss with a corresponding entry to contributed surplus. No expense is recognized for awards that do not ultimately vest.

(l) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the relative value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

(m) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are generally measured at fair value.

(n) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the rights to receive cash flows from the instruments have expired, or when the Company has transferred substantially all risks and rewards of ownership.

Financial instruments are measured at fair value upon initial recognition. Measurement in subsequent periods is dependent on the financial instrument's classification, as described below:

- *Fair value through profit or loss ("FVTPL")*
  Financial assets and liabilities designated at fair value through profit or loss are initially recognized and subsequently measured at fair value with subsequent changes in fair value charged to the consolidated statement of loss. The Company's preferred share derivative is recognized at FVTPL.
- *Amortized cost*
  Financial assets and financial liabilities are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, net of any impairment. The Company includes cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, lease obligation and preferred shares within the amortized cost category.
- *Fair value through other comprehensive income ("FVTOCI")*
  Financial assets designated at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in other comprehensive income, net of tax. The Company does not currently have any financial assets or liabilities classified as FVTOCI.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Any subsequent reclassification of financial assets and liabilities from their initial recognition will be reclassified on the first day of the reporting period.

i. Impairment of financial assets

Impairment of financial assets carried at amortized cost is determined by measuring the assets' expected credit losses ("ECLs"). Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is measured as the difference between the present value of the cash flows due to the Company and the cash flows that the Company expects to receive. In making an assessment as to whether financial assets are credit-impaired, the Company considers historically realized bad debts, evidence of a deterioration of a debtor's financial condition, evidence that a debtor will enter bankruptcy, increase in the number of days the debtor is past due and change in economic condition that could correlate to increased risk of default. ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component since amounts receivable are due within one year or less.

ii. Commodity price contracts

Commodity price contracts may be used by the Company to manage exposure to market risks related to commodity prices, exchange rates and interest rates. The Company does not intend to use derivative contracts for speculative purposes. The Company will not designate its derivative contracts as hedges and, as such, will not apply hedge accounting. All derivative contracts would be classified at fair value through profit and loss.

(o) Taxes

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii. Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxes are not recognized for temporary differences related to goodwill or asset acquisitions which do not constitute a business combination and, at the time of the transaction, affect neither accounting income (loss) or taxable income (loss).

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(p) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share amounts are calculated to give effect to the potential dilution that would occur if contracts to issue common shares were exercised, fully vested, or converted to common shares. The treasury stock method is used to determine the dilutive effect of dilutive instruments, where it is assumed that the proceeds received from the exercise of in-the-money dilutive instruments are used to repurchase common shares at market prices.

(q) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided annually at rates calculated to write off the cost of property and equipment, less the estimated residual value over the useful life, using the following methods and rates:

Asset	Basis	Rate
Computers	Straight line	3 years
Right of use assets	Straight line over the term of the lease	

Depreciation on assets used in exploration activities (if any) is capitalized to exploration and evaluation assets.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

3. Changes in accounting policies

New accounting policies

Amendments to IAS 1 *Presentation of Financial Statements*

On January 1, 2024, Global adopted the amendments to IAS 1 *Presentation of Financial Statements* (“IAS 1”) as issued by the International Accounting Standards Board (“IASB”) that clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position and specify the classification and disclosure of a liability with covenants. There was no material impact to the Company’s financial statements.

Future Accounting policies

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and will be effective for annual periods beginning on or after January 1, 2027. IFRS 18 will introduce new totals, subtotals, and categories for income and expense in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. The Company is currently evaluating the impact on its financial statements.

(Expressed in Canadian dollars)

4. Amounts receivable

The amounts receivable primarily represents GST input tax credits recoverable from the Canadian government as at December 31, 2024 and December 31, 2023.

5. Exploration and evaluation assets

	Alberta	Sask	Montana	Total
Balance, December 31, 2022	$ -	$ 1,448,036	$ 2,342,508	$ 3,790,544
Land acquisition and maintenance	249,119	176,668	16,135	441,922
Geological & geophysical	12,732	189,052	47,539	249,323
Drilling & completing	2,789,984	-	-	2,789,984
Non-cash decommissioning provision	70,710	-	-	70,710
Exploration expense, expiries & impairments	-	(702,946)	(284,344)	(987,290)
Foreign currency translation	-	-	(47,563)	(47,563)
Balance, December 31, 2023	$ 3,122,545	$ 1,110,810	$ 2,074,275	$ 6,307,630
Land acquisition and maintenance	200,762	480,050	-	680,812
Geological & geophysical	18,212	-	-	18,212
Drilling & completing	335,111	-	-	335,111
Non-cash decommissioning provision	(4,805)	-	-	(4,805)
Exploration expense, expiries & impairments	-	(1,590,860)	(1,237,734)	(2,828,594)
Foreign currency translation	-	-	147,097	147,097
Balance, December 31, 2024	$ 3,671,825	$ -	$ 983,638	$ 4,655,463

Alberta - 2024
In the first quarter of 2024, the Company remediated and stimulated their second helium well that was drilled at 10-08-012-04W4/00 in the Manyberries helium trend near Medicine Hat in Southeast Alberta. Following positive indications from the remediation, the Company proceeded to flow-test the well in the second quarter of 2024. The 10-08 well production tested at approximately 4.1 million cubic feet per day at 3,500 kilopascal flowing tubing pressure from the Beaverhill Lake formation over a four-day extended test.

Saskatchewan – 2024
On April 8, 2024, the Company entered into an agreement with North American Helium ("NAH") which afforded the Company the opportunity to advance its Saskatchewan land base while mitigating up-front capital costs and exploration risk. Pursuant to the agreement, NAH had the right to review Global's proprietary seismic data covering the majority of the Company's exploration permits in Saskatchewan and select a drilling location based on this review. Upon drilling a test well prior to December 31, 2024, NAH would earn an 80% working interest in 72 sections of Global's Saskatchewan land holdings.

In early August 2024, NAH drilled and fully funded a test well in the Vermillion Hills area of Global's Saskatchewan acreage. After reaching total depth, NAH notified the Company that the test well would be abandoned. In the third quarter, NAH notified the Company as to the 72 sections they will partner with Global going forward.

In the fourth quarter of 2024, the Company applied for leases on the 72 sections in partnership with NAH and surrendered its remaining permits on Saskatchewan lands. This has resulted in the reduction of Global's land position in Saskatchewan from approximately 825,000 acres at the start of the year to 46,000 acres by the end of 2024. As a result of this decision, the Company will not be required to accrue any further permit exploration expenditures on these lands. In respect of the unsuccessful test well and surrendering of all remaining permits, the Company has derecognized the remaining book value of its Saskatchewan exploration and evaluation assets of $1,590,860.

Montana – 2024
At December 31, 2024, the Company has derecognized $1,237,734 of initial lease costs and associated exploration costs incurred on lands, primarily in the Musselshell and Petroleum County that the Company does not intend to retain and develop.

Alberta - 2023
In 2023, the Company entered into two agreements to establish land positions in Southeast Alberta along the Manyberries Helium trend;

(a) The Company entered into an option to lease up to 32 sections (20,480 acres) of contiguous land in Southeast Alberta. As part of an area of mutual interest, this agreement allowed the Company to earn a 75% working interest in the lands, subject to a 7% royalty, by drilling earning wells within specified time frames.
(b) The Company entered into a farm-in agreement to add to its land position in Southern Alberta by 17 contiguous sections (10,880 acres) to a total of 49 sections (31,360 acres), all in the Manyberries helium trend. The farm-in agreement allowed the Company to earn a 75% working interest in the lands by drilling test wells within specified time frames.

By December 31, 2023, Global had drilled, logged, cased and tested its first two helium wells in Alberta. By drilling these two wells, the Company has satisfied the terms of the farm-in and option agreements. The Company has exercised its option on 22 sections and has a 75% lease interest on these helium prospective lands in the Manyberries area.

Saskatchewan - 2023
In Saskatchewan, the Company performed a review of its acreage portfolio to ensure resources are allocated to the highest potential return projects. After extensive review of the seismic and geological data, the Company has prioritized its Saskatchewan landholdings from approximately 1.8 million acres to approximately 825,000 acres.

Accordingly, the Company surrendered the associated helium permits in Saskatchewan and has derecognized $702,946 in respect of lease and exploration expenditures previously incurred on these lands.

Montana - 2023
In Montana, the Company completed a FEED study (Front-End-Engineering and Design) for a helium processing facility for its property in Rudyard, Montana. As the Company prioritizes its potential drilling locations and land holdings in the area, the Company did allow a farmin agreement to expire on December 31, 2023 and has derecognized $284,344 in respect of this farmin agreement that no longer has value to the Company.

(Expressed in Canadian dollars)

6. Property and equipment

		Computer Equipment		Right of use assets		Total
Cost						
Balance, December 31, 2022	$	28,547	$	82,512	$	111,059
Additions		-		-		-
Balance, December 31, 2023		28,547		82,512		111,059
Additions (Disposals)		-		(82,512)		(82,512)
Balance, December 31, 2024	**$**	**28,547**	**$**	**-**	**$**	**28,547**
Accumulated depreciation						
Balance, December 31, 2022	$	7,655	$	41,258	$	48,913
Depreciation		16,104		35,364		51,468
Balance, December 31, 2023		23,759		76,622		100,381
Depreciation		4,788		5,890		10,678
Disposals		-		(82,512)		(82,512)
Balance, December 31, 2024	**$**	**28,547**	**$**	**-**	**$**	**28,547**
Net carrying value						
December 31, 2023	**$**	**4,788**	**$**	**5,890**	**$**	**10,678**
December 31, 2024	**$**	**-**	**$**	**-**	**$**	**-**

7. Accounts payable and accrued liabilities

		December 31, 2024		December 31, 2023
Accounts payable	$	56,319	$	384,993
Accrued liabilities		618,000		399,900
Total	$	674,319	$	784,893

8. Lease obligation

The lease obligation relates to a right of use ("ROU") liability recognized pursuant to an office lease agreement which started in November 2021 and ended February 2024. Interest on the lease obligation during the year ended December 31, 2024 was $59 (December 31, 2023 - $1,958). The amount expensed in the consolidated statement of loss, during the year-ended December 31, 2024, related to short-term leases was $14,833 (December 31, 2023 - $35,375). The following table summarizes the lease obligations:

At December 31, 2022	$	46,983
Gross lease repayments		(42,000)
Interest on lease obligations		1,958
At December 31, 2023	$	6,941
Gross lease repayments		(7000)
Interest on lease obligations		59
At December 31, 2024	$	-

9. Preferred Shares

On November 9, 2023, the Company issued 13,162,155 Series A preferred shares at a price of US$0.185 per share to US residents and issued 970,000 Series A preferred shares at a price of CAD$0.25 per share to Canadian residents for cash proceeds of CAD$3,598,174. In a second tranche on December 14, 2023, the Company issued 1,621,621 Series B preferred shares at a price of US$0.185 per share to US residents for proceeds of CAD$402,570. Series A and Series B preferred shares were issued on the same terms as described below.

Holders of the preferred shares shall be entitled to receive a cumulative dividend at the rate of 10% per annum starting from the date of issuance until the earlier of the date of conversion or the fifth anniversary of the date of issuance ("Maturity Date"). Each preferred share is convertible into units of the Company or common shares of the Company subject to the date of conversion. The preferred shares are convertible:

(a) by the Company at its option on the second, third or fourth anniversary of the date of issuance;
(b) by the holder of the preferred share at its option at any time from the date of issuance up to the Maturity Date; or
(c) automatically on the Maturity Date.

Upon the conversion of a preferred share within 18 months of issue, the holder will be entitled to receive one unit for each preferred share so converted, along with any accrued but unpaid dividends thereon, at a deemed conversion price of US$0.185 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of five (5) years from the date of conversion of the preferred share at an exercise price equal to the market price of the common shares on the conversion date.

If the preferred share is converted following the date that is 18 months from the date of issue, each preferred share and any accrued but unpaid dividends will be convertible into common shares at a deemed conversion price of US$0.185 per common share.

These preferred shares are a hybrid contract that contain a host instrument (the redemption amount plus accrued and unpaid dividends) and an embedded derivative related to the conversion feature. The conversion feature allows holders to convert into a variable number of equity instruments of the Company depending on the timing of the conversion. This conversion feature is a derivative and due to its variability must be recorded as a liability of the Company at fair value less cost of disposal. As the derivative is not closely related to the host debt instrument, it must be valued separately.

The preferred shares host liability along with accrued and unpaid dividends are classified as a current liability of the Company due to the redeemable nature of the preferred shares at USD$0.185 per share and is recorded at amortized cost.

The Company will recognize the host portion of the preferred shares as a liability measured at amortized cost (redemption amount plus accrued but unpaid dividends) and the conversion feature as an embedded derivative at fair value through profit of loss (FVTPL) until the preferred shares are redeemed or converted into common shares.

As at December 31, 2024, $400,380 (December 31, 2023 - $56,329) has been recognized in finance expense in the consolidated statement of loss and included in the preferred share liability on the consolidated balance sheet in respect of the accrued and unpaid dividends on the preferred shares.

(Expressed in Canadian dollars)

	Preferred share host liability	Preferred share derivative	Total
Balance, December 31, 2022	$ -	$ -	$ -
Upon issuance	4,000,744	-	4,000,744
Accrued dividends	56,329	-	56,329
Foreign exchange	(147,508)	-	(147,508)
Loss on fair value of derivative [1]	-	1,999,492	1,999,492
Balance, December 31, 2023	**3,909,565**	**1,999,492**	**5,909,057**
Accrued dividends	400,380	-	400,380
Foreign exchange	363,909	-	363,909
Loss/(Gain) on fair value of derivative [1]	-	(1,648,334)	(1,648,334)
Balance, December 31, 2024	**$ 4,673,854**	**$ 351,158**	**$ 5,025,012**

[1] The fair value of the conversion option was determined using the Black Scholes option pricing model and was recorded at the higher of the values of two conversion scenarios (one share and one half warrant at 18 months vs. one share after 5 years). The following assumptions were used in the calculation:

	December 31, 2024		
	One share & one half warrant (accelerated conversion < 18 mos)		**One share (converted at 5 years)**
	Share	**Warrant**	**Share**
Risk-free interest rate	3.0%	3.0%	3.0%
Expected life of option	0.4 years	5.0 years	3.9 years
Expected dividend yield	0%	0%	0%
Expected volatility [a]	118%	118%	118%
Forfeiture rate	0%	0%	0%
Exercise price	$USD 0.185	$CAD 0.040	$USD 0.185
Share price at period end	$CAD 0.040	$CAD 0.040	$CAD 0.040
Fair value per instrument	$CAD 0.000	$CAD 0.033	$CAD 0.020

	December 31, 2023		
	One share & one half warrant (accelerated conversion < 18 mos)		**One share (converted at 5 years)**
	Share	**Warrant**	**Share**
Risk-free interest rate	3.9%	3.9%	3.9%
Expected life of option	1.4 years	5.0 years	4.9 years
Expected dividend yield	0%	0%	0%
Expected volatility [a]	121%	121%	121%
Forfeiture rate	0%	0%	0%
Exercise price	$USD 0.185	$CAD 0.150	$USD 0.185
Share price at period end	$CAD 0.150	$CAD 0.150	$CAD 0.150
Fair value per instrument	$CAD 0.062	$CAD 0.126	$CAD 0.118

[a] The expected volatility was calculated using the Company's historic volatility and a weighted average volatility of similar public companies in the junior resource industry when applicable.

(Expressed in Canadian dollars)

10. Decommissioning liabilities

	December 31, 2024	December 31, 2023
Balance beginning of year	$ 95,315	$ 25,197
Additions from drilling activity	-	70,710
Change in estimate	(4,804)	-
Accretion	2,355	-
Foreign exchange	2,414	(592)
Balance, end of period	$ 95,280	$ 95,315

As at December 31, 2024, the Company has drilled 2 wells in Alberta for which it has recognized a decommissioning liability along with a single well bore in Montana. The total undiscounted amount of future cash flows required to settle the Company's decommissioning liabilities is $177,580 at December 31, 2024 (December 31, 2023 - $174,110). The decommissioning liability has been estimated using existing technology at current prices and discounted at the risk-free rate.

11. Share capital

(a) Authorized

Unlimited number of Class A voting common shares
Unlimited number of Class B non-voting common shares
Unlimited number of Preferred Shares, issuable in series, with rights and privileges to be set by the board of directors

(b) Issued and outstanding

Class A common shares	Number of Shares	$
Balance, December 31, 2022	46,536,060	$ 11,237,938
Issue of common shares on option exercises (note 11e)	1,200,000	196,800
Balance, December 31, 2023 & 2024	47,736,060	$ 11,434,738

(c) Warrants

The following table outlines the Company's warrants outstanding at December 31, 2024:

	Number	$	Weighted average exercise price
Balance, December 31, 2022	38,191,170	$ 3,585,268	$ 0.64
Expired (1),(2)	(24,830,490)	(1,555,958)	0.49
Balance, December 31, 2023 & 2024	13,360,680	$ 2,029,310	$ 0.93

(1) On May 19, 2023, 16,915,600 warrants expired with an exercise price of $0.25. A further 11,798,180 warrants with an exercise price of $1.00 were also set to expire on May 19, 2023 but were extended to May 19, 2025.

(2) On October 4th and 5th 2023, a total of 7,914,890 warrants expired with an exercise price of $1.00.

(Expressed in Canadian dollars)

Information about the warrants at December 31, 2024 is as follows:

Number of warrants – outstanding and exercisable	Exercise price	Expiry date
1,562,500	$ 0.42	May 31, 2025
11,798,180	$1.00	May 19, 2025
13,360,680		

(d) Per share amounts

		Year-ended December 31, 2024		Year-ended December 31, 2023
Net loss for the year	$	(3,621,746)	$	(4,781,092)
Comprehensive loss for the year		(3,475,650)		(4,828,747)
Weighted average number of common shares outstanding – basic and diluted[1]		47,736,060		47,637,430
Net loss per share – basic and diluted	$	(0.08)	$	(0.10)

[1] All stock options, warrants and convertible preferred shares have been excluded from the calculation of diluted gain per share as the impact is immaterial or would be anti-dilutive when the Company is in a loss position for the year.

(e) Stock-based compensation

i. Stock option plan

The Company has a rolling stock option plan (the "Plan") consistent with the guidelines of the Canadian Securities Exchange ("CSE"), to provide incentive for the directors, officers, employees, and consultants of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the issued and outstanding common shares of the Company at the time of grant.

The exercise price of options granted under the Plan will be fixed by the Board at the time of grant, provided that such exercise price may not be less than the market price of the common shares as outlined in the Policies of the CSE. The options granted under the Plan will vest and be exercisable on a basis determined by the Board at the time of the grant and will be exercisable for a period not exceeding ten years.

(Expressed in Canadian dollars)

Stock option transactions are summarized as follows:

	Number	Weighted average exercise price
Balance, December 31, 2022	4,210,000	$ 0.37
Granted [(1)]	1,425,000	0.27
Exercised [(2)]	(1,200,000)	0.15
Expired	(850,000)	0.61
Forfeited	(550,000)	0.41
Balance, December 31, 2023	3,035,000	$ 0.33
Granted [(3)]	1,075,000	0.11
Granted [(4)]	1,350,000	0.08
Cancelled [(5)]	(1,345,000)	0.37
Balance, December 31, 2024	4,115,000	$ 0.18

(1) 375,000 options were granted February 28, 2023 and vest as to; one quarter every 6 months from August 28, 2024. 1,050,000 options were granted September 22, 2023 and vest as to; one quarter every 6 months from March 22, 2024.

(2) During the year ended December 31, 2023, 1,200,000 options were exercised for cash proceeds of $180,000. $16,800 of related stock-based compensation recognized on vested options before the exercises has been added to share capital and removed from contributed surplus.

(3) 1,075,000 options were granted May 3, 2024 to certain directors, officers and employees of the Company and vest immediately with an exercise price of $0.11. Options expire in 5 years.

(4) 1,350,000 options were granted June 28, 2024 to certain directors, officers and employees of the Company and vest immediately with an exercise price of $0.08. Options expire in 5 years.

(5) 1,295,000 options were cancelled on May 21, 2024 with no consideration that had exercise prices between $0.33 – $0.41 and expired between May 16, 2027 and February 28, 2028. Upon cancellation, $62,378 of stock-based compensation was recognized immediately in respect of the remaining unvested grant date fair value. 50,000 options were cancelled on June 30, 2024 due to employee terminations.

Information about the stock options outstanding and exercisable on December 31, 2024, are as follows:

Number of options – outstanding	Number of options - exercisable	Weighted average exercise price of outstanding options	Expiry date
100,000	100,000	$0.41	May 16, 2027
40,000	40,000	$0.62	June 1, 2025
500,000	500,000	$0.34	August 15, 2027
1,050,000	525,000	$0.25	September 22, 2028
1,075,000	1,075,000	$0.11	May 3, 2029
1,350,000	1,350,000	$0.08	June 28, 2029
4,115,000	3,590,000	$0.18	

(Expressed in Canadian dollars)

ii. Stock-based compensation expense

Compensation expense of $389,820 for the year ended December 31, 2024 (December 31, 2023 - $214,950) has been recorded in the consolidated statement of loss with a corresponding increase in contributed surplus.

The weighted average fair value of options granted during the year ended December 31, 2024 was estimated on the dates of grant to be $0.07 (December 31, 2023 - $0.23) using the Black-Scholes option pricing model with the following weighted average assumptions for grants as follows:

	December 31, 2024	**December 31, 2023**
Risk-free interest rate	3.6%	4.1%
Expected life of option	5.0 years	5.0 years
Expected dividend yield	0%	0%
Expected volatility [(a)]	117%	123%
Forfeiture rate	0%	0%
Exercise price	$0.09	$0.27
Share price at grant date	$0.09	$0.27

[(a)] The expected volatility was calculated using the Company's historic volatility and a weighted average volatility of similar public companies in the junior resource industry when applicable.

12. Taxes

(a) Deferred tax asset

At December 31, 2024, a deferred tax asset of $2,917,890 (December 31, 2022 - $2,307,311) has not been recognized in the consolidated financial statements. The following table provides a continuity of components of the deferred tax asset:

	Balance –December 31, 2022	**Recognized in income**	**Closing balance – December 31, 2023**
Exploration and evaluation assets	$ (83,349)	$ 109,529	$ 26,180
Share issuance costs	30,890	(10,297)	20,593
Exchange differences	(18,839)	7,346	(11,493)
Non-capital losses	1,862,341	445,690	2,272,031
Deferred tax asset not recognized	(1,755,043)	(552,268)	(2,307,311)
Deferred tax asset (liability)	$ -	$ -	$ -

	Balance –December 31, 2023	**Recognized in income**	**Closing balance – December 31, 2024**
Exploration and evaluation assets	$ 26,180	$ 277,008	$ 303,188
Share issuance costs	20,593	(10,296)	10,297
Exchange differences	(11,493)	31,158	19,665
Non-capital losses	2,272,031	312,709	2,584,740
Deferred tax asset not recognized	(2,307,311)	(610,579)	(2,917,890)
Deferred tax asset (liability)	$ -	$ -	$ -

(Expressed in Canadian dollars)

(b) Deferred tax expense

The actual income tax provision differs from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes.

A reconciliation of income taxes at statutory rates with the reported income tax expense is as follows:

	Year-ended December 31, 2024	Year-ended December 31, 2023
Net loss before income taxes	$ (3,621,746)	$ (4,781,092)
Corporate tax rate	23%	23%
Expected income tax recovery at statutory rates	(833,002)	(1,099,651)
Differences resulting from:		
Change in deferred tax asset not recognized	610,579	552,268
Preferred shares	(287,029)	438,912
Other items	478,599	72,856
Stock-based compensation	89,658	49,438
Difference in tax rates	(58,804)	(13,823)
Total income tax expense	$ -	$ -

13. Related party transactions

(a) Related party transactions

i. For the year-ended December 31, 2024, the Company incurred $nil of chief executive officer consulting fees (December 31, 2023 - $45,000) from a private company in which a former director and former officer was the private company's principal shareholder. These fees are included in management fees in the consolidated statement of loss. This relationship is no longer active as of September 2023.

ii. For the year-ended December 31, 2024, the Company incurred $nil (December 31, 2023 - $55,130) of salaries for non-management personnel that had employment contracts with companies that previously shared senior management of the Company under a former organizational structure. This relationship is no longer active as of September 2023.

iii. For the year-ended December 31, 2024, the Company received $nil of rent income (December 31, 2023 - $31,500) from companies that previously shared senior management of the Company. The rent income results from office space expenses that the entities shared, and the amount is included in rent income in the consolidated statement of loss. These relationships are no longer active as of September 2023.

(Expressed in Canadian dollars)

(b) Key management compensation

The remuneration of directors and management of the Company is set out below:

		December 31, 2024		December 31, 2023
Officer consulting fees, salaries, and benefits	$	538,751	$	457,575
Stock-based compensation		260,243		106,741
Total	$	798,994	$	564,316

14. Segmented information

The Company operated in two geographic segments: Canada and United States. Set out below is segmented information on a geographic basis.

The net losses are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Canada	$	2,383,761	$	4,490,065
United States		1,237,985		291,027
Total	$	3,621,746	$	4,781,092

The segmented non-current assets are as follows:

	December 31, 2024					
		Canada		United States		Total
Non-current assets	$	3,671,825	$	983,638	$	4,655,463

	December 31, 2023					
		Canada		United States		Total
Non-current assets	$	4,244,033	$	2,074,275	$	6,318,308

15. Financial risk management

The Company's activities expose it to certain financial risks, including credit risk, liquidity risk, and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for managing risk. There were no changes to the Company's risk management policies or procedures during the year-ended December 31, 2024.

a. Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk relates to its cash held with a major financial institution and its amounts receivable which primarily consist of amounts to be received from the Government of Canada.

Cash and cash equivalents consists of cash bank balances and term deposits. In order to manage credit risk, the Company holds cash balances and term deposits with a financial institution with a high credit rating.

The Company has determined the credit risk associated with amounts receivable is minimal as the amounts are due from the Government of Canada.
The Company's receivables are aged as follows:

Aging		December 31, 2024		December 31, 2023
Current (less than 90 days)	$	51,694	$	168,122
Past due (more than 90 days)		-		-
	$	51,694	$	168,122

Since the Company's receivables consist primarily of amounts due from the Government of Canada, the Company does not have an allowance for doubtful accounts as at December 31, 2024 and December 31, 2023, and believes all amounts will be collected in due course. The Company's historical expected credit loss is $Nil. At December 31, 2024, the amount subject to credit risk relating to amounts receivable equates to their carrying value.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows and its holdings of cash.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2024:

		Within one year		Between one and five years		More than five years		Total
Accounts payable and accrued liabilities	$	674,319	$	-	$	-	$	674,319
Preferred shares [1]		4,673,854		-		-		4,673,854
Total	$	5,348,173	$	-	$	-	$	5,348,173

[1] The preferred shares are classified as a current liability due to the optional redemption feature as described in Note 9.

c. Market risk

i. Foreign currency risk and sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and preferred share liabilities that are denominated in USD. As at December 31, 2024, net financial liabilities totaling $4,232,331 (December 31, 2023 – financial liabilities of $1,301,000) were held in USD. The Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Based on the above net exposure as at December 31, 2024 and assuming all other variables remain constant, a 2% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately $84,640 (December 31, 2023 - $26,020) in the Company's loss and comprehensive loss for the year- ended December 31, 2024.

ii. Commodity price risk

The nature of the Company's operations may expose the Company to commodity price risks when the Company begins production.
As at December 31, 2024, the Company has no derivative financial instruments. It may in the future enter into derivative financial instruments and in order to manage price risk, it will only enter into derivative financial instruments with highly rated investment grade counterparties.

iii. Interest rate risk

Interest rate risk is the risk the future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate cash flow risk as the Company had no variable rate interest-bearing debt as of December 31, 2024.

The Company is exposed to interest rate price risk as the preferred share liability has a fixed cumulative dividend rate.

16. Fair value determination of financial instruments

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide 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 marketplace.

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

There were no transfers between levels within the fair value hierarchy for the year-ended December 31, 2024 or the year-ended December 31, 2023.

Due to their short term until maturity, at December 31, 2024, the carrying value of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair value. The fair value of the preferred shares approximates its carrying amount due to their redeemable nature. The carrying value of the preferred share derivative approximates fair value as it is measured at fair value (note 9).

17. Capital management

The primary capital management objective of the Company is to ensure adequate working capital is available to fund both its helium exploration and development projects and its working capital requirements, while also seeking to minimize the risk-adjusted cost of capital.

Capital is raised and retained for the purposes and to the extent necessary to fund exploration and corporate overhead costs, subject to the availability of financing on acceptable terms. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of its planned exploration activities and management's assessment of the expected availability of acceptably priced capital in future periods.

The Company defines capital as Shareholders' equity and the preferred shares that are currently classified as a liability until such time they are converted into common shares or redeemed.

The chief source of working capital is equity financing obtained through the sale of common and preferred shares and any related warrants. The Company from time to time may receive loans from related parties and trade credit, but such financial instruments are typically only supplementary to equity financings. In any case, the Company does not consider debt to be a sustainable source of capital, as in the absence of positive cash flows from operations; any debt obtained must be retired with funds raised through equity financing.

A significant measure used in assessing capital adequacy is the expected number of days of operations that can be funded from current working capital. Capital levels are deemed sufficient if they can fund the balance of the annual exploration and development goals and fund corporate overhead expenses in the near term. The Company plans to raise additional equity in the second quarter of 2025. Management believes that there will be sufficient capital to carry out its planned activities over the next twelve months.

Equity financings will generally be limited to the extent that capital is available on acceptable terms. The acceptability of financing terms is generally determined by reference to the prevailing market price of the Company's shares. The terms on which the Company obtains financings are furthermore subject to the guidelines of the CSE.

There were no changes in the Company's approach to capital management during the years-ended December 31, 2024, or 2023 other than the addition of the preferred shares in 2023.

18. Supplemental information with respect to cash flows

There were no taxes paid for the year-ended December 31, 2024, and 2023.

As at December 31, 2024, cash and cash equivalents represents cash on deposit and term deposits of $535,229 and $nil respectively (December 31, 2023 - $1,456,878 and $1,329,450 respectively)

During the year-ended December 31, 2023, the Company had the following significant non-cash transactions:

- Exploration and evaluation expense of $2,828,594:
  - $1,590,860 was derecognized from exploration and evaluation assets in respect of Saskatchewan permits that the Company has decided to surrender.
  - $1,237,734 was derecognized from exploration and evaluation assets in respect of lease expiries and the Company's decision to not renew leases or develop the Musselshell and Petroleum County areas of Montana.
- Unrealized gain on preferred share derivative of $1,648,334 relating to the conversion feature of the preferred shares.

During the year-ended December 31, 2023, the Company had the following significant non-cash transactions:

- Exploration and evaluation expense of $987,290:
  - $702,946 was derecognized from exploration and evaluation assets in respect of costs previously incurred on Saskatchewan permits that the Company has decided to surrender.
  - $284,344 was derecognized from exploration and evaluation assets in respect of a farmin agreement in Montana that expired on December 31, 2023.
- Unrealized loss on preferred share derivative of $1,999,492 relating to the conversion feature of the preferred shares.
- Decommissioning liabilities of $70,710 were recognized in respect of the two wells drilled in Alberta, with a corresponding increase to exploration and evaluation assets.

(Expressed in Canadian dollars)

19. Finance expense, net

		Year ended December 31, 2024		Year ended December 31, 2023
Cumulative dividends on preferred shares (note 9)	$	400,380	$	56,329
Accretion of decommissioning liability (note 10)		2,355		-
Interest on lease obligations (note 8)		59		1,958
		402,794		58,287
Interest income		(38,714)		(11,351)
Total	$	364,080	$	46,936