

A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Provinces of Alberta and British Columbia but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended. No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise.

The securities of the Company have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "United States" or "U.S."), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

This prospectus does not constitute a public offering of securities.

PRELIMINARY PROSPECTUS

NON-OFFERING PROSPECTUS

March 19, 2021



GLOBAL HELIUM CORP.

This prospectus is being filed with the Alberta Securities Commission and the British Columbia Securities Commission for the purpose of allowing Global Helium Corp. (the "**Company**") to become eligible for listing pursuant to the Policies and Procedures of the Canadian Securities Exchange (the "**CSE**") and to become a reporting issuer in these jurisdictions and to enable the Company to develop an organized market for its common shares ("**Common Shares**").

Since no securities are being offered pursuant to this prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this prospectus will be paid by the Company.

There is currently no market in Canada through which the securities of the Company may be sold, and purchasers may not be able to resell securities. This may affect the pricing of the securities of the Company in the secondary market, the transparency and availability of trading prices, the liquidity of the securities of the Company and the extent of issuer regulation. Investors should carefully consider the risk factors described under "Risk Factors".

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including without limitation, meeting all minimum listing requirements.

An investment in securities of the Company is speculative and involves a high degree of risk. In reviewing this prospectus, you should carefully consider the matters described under the heading "Risk Factors". No underwriters or selling agents have been involved in the preparation of this prospectus or performed any review or independent due diligence of the contents of this prospectus.

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SCHEDULE “A” – Global Helium Corp. Statement of Financial Position, Statement of Loss and Comprehensive Loss, Statement of Change in Shareholders’ Deficit and Statement of Cash Flows for the years ended December 31, 2020 and 2019; and Management’s Discussion & Analysis for the years then ended.

SCHEDULE “B” – AUDIT COMMITTEE CHARTER

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of applicable securities legislation. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, including the risks in the section entitled “*Risk Factors*” and the risks set out below, any of which may cause the Company’s or our industry’s actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks include, by way of example and not in limitation:

- risks related to the fact that the Company is an exploration stage company with no properties with known helium reserves or resources, no helium properties on production, and may incur losses for the foreseeable future;
- risks related to the fact that the Company is dependant on the Vermillion Hills area which includes risk to title and that investment obligations are required to retain the permits;
- market risks such as general economic conditions, the global Covid-19 pandemic, changes in markets, volatility in helium prices and foreign exchange, and share price volatility;
- financial risks including the future requirement for additional financing, going concern statements, future issuances of equity or debt, changes in interest rates, hedging risks, and third-party credit risks;
- operational risks include the fact that the Company has no history of helium operations, production declines and interruptions, potential increases in operating and transportation costs, adverse weather conditions, reliance on technology, risks to title, license and permit terms and expiries, the reliance on special skills and knowledge, access to equipment and operator performance;
- acquisition and expansion risks including the future requirement of additional capital, risks to acquisitions and divestments, intense competition, and other growth-related risks;
- regulatory and political risks related to governmental and environmental regulations, changes to title or borders, and changes to royalties and taxes;
- environmental risks and hazards related to changes in environmental legislation, abandonment and reclamation, hydraulic fracturing, climate change and the potential for lawsuits;
- reserves and resource estimate risks including the quantity and value of those estimates; and
- other risks including risk management, reliance on key personnel, limitations on insurance and insurability, conflicts of interest, cyber security, accounting policy compliance, breach of controls, political events and terrorist attacks, and risk of litigation.

This list is not an exhaustive list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on our forward-looking statements.

The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. The material factors and assumptions that were applied in making the forward-looking information in this prospectus include: (a) execution of the Company's existing business plans and growth strategy which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such business plans and growth strategy; and (b) the accuracy of current interpretation of research results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Forward looking information is based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: our ability to effectively find, produce and market helium reserves; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms; the ability to retain skilled management and staff; the ability to acquire a significant market position in our target markets; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; the progress and success of the Company's product marketing; and operating in a regulatory environment.

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined herein under the heading “*Risk Factors*”. Should one or more of these risks or

uncertainties, or a risk that is not currently known to us materialize, actual results may vary materially from those described herein. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

These statements speak only as of the date of this prospectus. The Company does not undertake any obligation to publicly update or revise any forward-looking statements unless required by applicable laws. **Any forward-looking information contained herein is expressly qualified by this cautionary statement.** The forward-looking statements in this prospectus are provided for the limited purpose of enabling current and potential investors to evaluate an investment in the Company. Readers are cautioned that such statements may not be appropriate and should not be used for other purposes.

SUMMARY OF PROSPECTUS

The following is a summary of the information contained in this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Capitalized terms used in this summary, which are not defined in the summary, have the meanings ascribed to them elsewhere in this prospectus. Unless otherwise indicated, references to the “Company”, “Global Helium”, “we”, “us”, “our”, and similar terms are to Global Helium Corp.

Principal Business of the Company

Global Helium is an exploration stage company focused on the exploration, acquisition, development, and production of helium to meet the needs of a growing helium market in North America and around the world.

The Offering

No securities are being offered pursuant to this prospectus. This prospectus is being filed with the Alberta and British Columbia Securities Commissions for the purpose of allowing the Company to become a reporting issuer in such jurisdictions and to enable the Company to develop an organized market for its Common Shares. Since no securities are being offered pursuant to this prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this prospectus will be paid by the Company.

The Listing

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including, without limitation, the distribution of the Company’s Common Shares to a minimum number of public shareholders and the Company meeting the minimum listing requirements.

Summary Financial Information

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and related notes thereto appearing elsewhere in this prospectus. The selected financial information is derived from the audited financial statements for the Company for the year ended December 31, 2020 and the year ended December 31, 2019.

	Year ended December 31, 2020	Year ended December 31, 2019
	\$	\$
Revenue	\$Nil	\$Nil
Net Income (Loss)	(\$682,466)	(\$260,194)
Total Assets	\$441,582	\$171,667
Long-term debt	\$Nil	\$Nil
Total Liabilities	\$1,384,142	\$431,761

See “*Selected Financial Information and Management’s Discussion and Analysis*”.

Risk Factors

An investment in the Company involves a significant degree of risk, including risks related to cash flow and liquidity, the ongoing need for financing and the ability to obtain financing on acceptable terms, a potentially volatile stock price, operational risks and costs, regulatory matters, competition in our industry, and competition. The above list of risk factors is not intended to be a definitive list of all risks associated with the Company. See “*Risk Factors*” below.

Interpretation

In this preliminary prospectus, unless otherwise specified, all dollar amounts are expressed in Canadian dollars and all references to “stock”, “Common Shares” or “shares” refer to shares of common stock in the capital of the Company.

As used in this prospectus, the terms “we”, “us”, “our”, “Company” and “Global Helium” mean Global Helium Corp., unless the context clearly requires otherwise.

Our financial statements are stated in Canadian dollars (CDN\$) and are prepared in accordance with IFRS.

Glossary

In this prospectus, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

“**BLM**” means the United States Bureau of Land Management established by the United States Congress in 1946 to manage public lands for a variety of uses such as energy development, livestock grazing, recreation, and timber harvesting while ensuring natural, cultural, and historic resources are maintained for present and future use.

“**Company**” means Global Helium Corp.

“**CSE**” means the Canadian Securities Exchange.

“**FHR**” means the United States Federal Helium Reserve, a helium reserve established in 1925 by the United States Government.

“**LCD**” means Liquid Crystal Display, a flat panel display technology commonly used in TVs and computer monitors. It is also used in screens for mobile devices, such as laptops, tablets, and smartphones.

“**Listing Date**” means the date the Common Shares are expected to be listed and posted for trading on the CSE.

“**LNG**” means Liquefied Natural Gas, is a clear, colourless, and non-toxic liquid which forms when natural gas is cooled to -162°C (-260°F). The cooling process shrinks the volume of the gas 600 times, making it easier and safer to store and ship. In its liquid state, LNG will not ignite.

“**MRI**” means Magnetic Resonance Imaging, a medical imaging technique used in radiology to form pictures of the anatomy and the physiological processes of the body.

“**NMR**” means Nuclear Magnetic Resonance spectroscopy, the preeminent technique for determining the structure of organic compounds.

“**USGS**” means the United States Geological Survey, a scientific research organization of the United States Government that describes itself as the largest water, earth, and biological science and civilian mapping agency, that collects, monitors, analyzes, and provides science about natural resource conditions, issues, and problems.

“**WCSB**” means the Western Canadian Sedimentary Basin, a vast sedimentary basin underlying 1,400,000 square kilometres (540,000 sq mi) of Western Canada including southwestern Manitoba, southern Saskatchewan, Alberta, northeastern British Columbia and the southwest corner of the Northwest Territories.

“**YLH LP**” means Yellow Line Helium Limited Partnership.

Abbreviations

Bcf	billion cubic feet	Mmcf	million cubic feet
Bcf/y	billion cubic feet per year	Mmcf/d	million cubic feet per day
Cdn\$	Canadian Dollars	MM m ³ /yr	million cubic metres per year
€	Euro	Tcf	trillion cubic feet
FY[Year]	Fiscal Year [Applicable Year]	US\$	United States Dollars
Mcf	thousand cubic feet		
Mcf/y	thousand cubic feet per year		

CORPORATE STRUCTURE**Name and Incorporation**

The Company was incorporated under the laws of the province of Alberta on November 13, 2020, and changed its name to Global Helium Corp. on December 2, 2020. On November 30, 2020, the Company acquired all the assets and liabilities of the Yellow Line Helium Limited Partnership, an Alberta limited partnership that was formed on January 1, 2019.

The Company's head office is located at 800, 555-4th Ave SW, Calgary, AB, T2P 3E7 and its registered office is located at 1250, 639 – 5 Avenue SW, Calgary, AB T2P 0M9.

The Company has no subsidiaries.

DESCRIBE THE BUSINESS**History**

The Company was recently incorporated on November 13, 2020, for the purpose of acquiring all the assets and liabilities of the Yellow Line Helium Limited Partnership (“**YLH LP**”), an Alberta limited partnership that was formed on January 1, 2019.

On November 30, 2020, the Company acquired 100% of the assets of YLH LP in exchange for 20,000 common shares, 20,000 common share purchase warrants and the assumption of YLH LP's debt. Each warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.25 per share for a period of 24 months from the Listing Date. YLH LP held helium exploration permits in the province of Saskatchewan that are prospective for helium reserves. Subsequent to this transaction, the net assets of YLH LP, being 100% of the shares and warrants in the Company, were distributed to the partners and YLH LP was immediately dissolved.

On January 1, 2021, the Company issued 7,980,000 units at a price of \$0.005 per unit to raise aggregate proceeds of \$39,900. On January 15, 2021, the Company issued 5,500,000 units at a price of \$0.02 per unit to raise aggregate proceeds of \$110,000. On February 1, 2021, the Company issued 5,300,000 units at a price of \$0.05 per unit to raise aggregate proceeds of \$265,000. In each case, each unit consisted of one Common Share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.25 per share for a period of 24 months from the Listing Date.

On February 15, 2021, the Company issued 2,646,000 units at a price of \$0.50 per unit to settle debt in the amount of \$1,323,000. On March 1, 2021, the Company issued 8,756,403 units at a price of US\$0.39 per unit to raise aggregate proceeds of US\$3,414,997. On March 1, 2021, the Company issued 2,097,597 units at a price of \$0.50 per unit to raise aggregate proceeds of \$1,048,799. In each case, each unit consisted of one Common Share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional Common Share at a price of \$1.00 per share for a period of 24 months from the Listing Date.

Significant Acquisitions and Dispositions

The acquisition by the Company of assets from YLH LP is a significant acquisition for which financial statements would be required, however, the audited financial statements of the Company for the year ended December 31, 2020, reflect the acquisition.

Our Current Business

Company Overview

Global Helium is focused on the exploration and development of helium to meet the needs of a growing helium market in North America and around the world. The company has acquired a significant land base in a known helium fairway in southern Saskatchewan and is actively evaluating identified prospects while pursuing additional opportunities.

What is helium?

Helium is a rare and vital element in many critical applications in the medical, science, aerospace, and high-tech manufacturing sectors around the world. The dynamics of the helium market in North America and around the world are changing quickly as North American supplies are falling, demand is expected to increase, and the world is looking for new sources of helium.

Helium has unique properties, including:

- Lowest boiling point (cryogenic cooling)
- High specific heat capacity and thermal conductivity (heat transfer cooling)
- Chemically inert (non-reactive, critical in protective atmospheres)
- Lowest density (2nd lightest element on earth and used in lift applications)
- Smallest molecular atom (leak detection)
- Extremely low solubility (deep sea diving)

What is helium used for?

Because of its unique properties, helium is required in specific applications. As a cryogenic coolant, liquid helium is critical in physics research and the medical field where the helium maintains superconducting magnets at critically low temperatures including Magnetic Resonance Imaging (MRI) and Nuclear Magnetic Resonance (NMR) spectroscopy machines and instruments. Liquid helium is increasingly being used as a primary coolant in internet data centers, advanced hard drives, and in quantum computing. This property is also essential in the space industry where liquid helium is required to pre-cool hydrogen and oxygen in liquid rocket fuels.

Because of its high specific heat capacity, helium is used as a heat transfer medium in military aircraft, gas-cooled nuclear reactors and in the manufacturing of fiber optics from silica. Its specific heat capacity and inert properties also make helium essential in manufacturing advanced electronics including semiconductors and microchips that we find in everyday products like smart phones, Liquified Crystal Displays (LCD), TV's, computers, and gaming systems. This circuitry miniaturization would be impossible without helium. These properties also make helium ideal as a shield gas in welding applications.

Helium's low density makes it an ideal non-flammable replacement for hydrogen in lift requirements such as scientific and weather balloons, blimps, and hybrid air vehicles. Helium's special properties also make it critical in other areas such as lasers and barcode scanners, deep sea diving, purging and leak detection, gas chromatography, supersonic wind tunnels, advanced microscopes and telescopes, etc.

In summary, helium is vital in many applications. Helium cannot be commercially synthesized and there are currently no substitutes in most applications.

Where is it found?

Helium is abundant in the universe however is extremely rare on earth. Helium is just four parts per trillion in seawater, eight parts per billion in the earth's crust and five parts per million in the atmosphere.

Helium is generated deep in the earth's crust over billions of years by the radioactive decay of heavy elements like uranium and thorium. Over time, the helium migrates upward through the subsurface and eventually reaches the earth's surface where it enters the atmosphere. Given its extremely low density, helium rises to the upper layers of the exosphere and escapes the earth's gravity as it is swept into space by solar winds. This makes helium an exhaustive and non-renewable resource.

Fortunately, as the helium migrates upwards some of the helium becomes trapped below impermeable layers of rock, similar to how hydrocarbons such as natural gas are trapped. Most natural gas reservoirs do not contain any helium. When they do, most conventional natural gas reservoirs contain small concentrations of <0.5% by volume¹. For this reason, the production of helium around the world is primarily a byproduct in the production and processing of natural gas. Most recently, new helium supplies are from large scale Liquefied Natural Gas (LNG) projects where it is produced at very low concentrations (0.04% to 0.17%).

Description of Products

Once discovered, helium is produced as a small percentage of other gases and liquids which may include methane, carbon dioxide, nitrogen, hydrogen, neon, and water. A helium facility is required to separate out these gases to render high purity helium. Commercially available technologies and processes are available including gas pretreating, fractional distillation, pressure swing adsorption, and cryogenic processes that may create helium purities of up to 99.9999%. The facility requirements, final product and purity depend on several factors such as the initial helium concentration and gas constituents, capital and operating costs, and most importantly the customer's required application and specifications. The helium purity will directly affect the final price received. The final product may be shipped as a gas in pressurized containers or as cryogenic liquid in specially designed insulated vessels. The remaining gases that are recovered in the process may be sold as a byproduct if the economics are favorable for that product or disposed of. Significant capital is required to design and construct a helium facility and additional financing will be required by the Company to do so, see "Risk Factors" below.

Principal Markets - Market Size and Growth

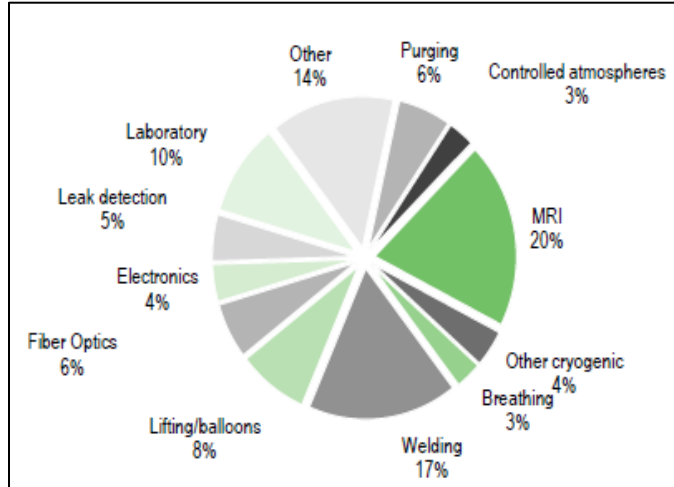
This prospectus includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this prospectus or ascertained the underlying economic assumptions relied upon by such sources.

¹S. Bahl, *Helium – Macro View Update*, Edison Investment Research, February 25, 2019, p.2. Retrieved from <https://www.edisongroup.com/search-results/?search=helium>.

World Demand

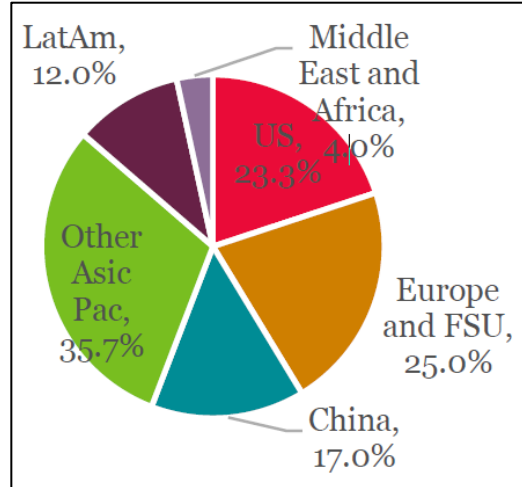
The current demand for helium is estimated at 6 bcf/yr. As shown in the diagram below, the primary markets for helium are diverse given the unique characteristics of helium and its broad application. While MRI use is currently the largest market, increasing helium demand is shifting to Asia for use in the manufacturing of electronics.

Global Demand Constituents for Helium



Source: Kornbluth consulting www.kornbluthheliumconsulting.com

Forecast 2021 Helium Consumption by Area

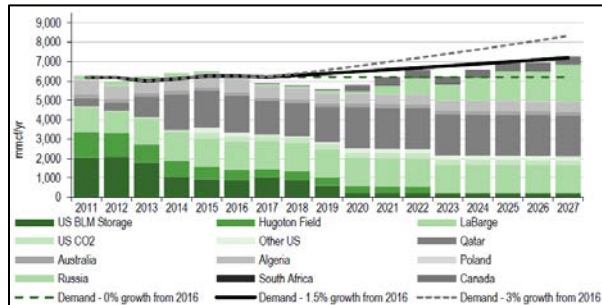


Source: USGS, Hannam & Partners Estimates

World Supply

Based on the most recently available data, the 2019 global supply of helium is estimated at 5.8 Bcf/yr or ~163 MM m³/yr.

World Helium Supply (Bcf/yr and MM m³/yr)



Source: Edison Investment Research, various

World Helium Production

Country	Production (MM m ³)			
	2016	2017	2018	2019
United States (extracted from natural gas)	66	63	64	68
United States (from Cliffside Field)	23	28	26	21
Algeria	10	14	14	14
Australia	4	4	4	4
Canada	<1	<1	<1	<1
China	N/A	N/A	N/A	N/A
Poland	2	2	2	2
Qatar	50	45	45	51
Russia	3	3	3	2
World Total (rounded)	160	160	158	160

Source: US Geological Survey, Cormark Securities Inc.

As shown, approximately 95% of the world's helium supply in 2019 came from just three countries: The United States (55%), Qatar (31%), and Algeria (9%). The balance of supply from Australia, Poland, Russia, Canada, and other countries is just 5%.²

Global helium supply has been declining since 2015, primarily from decline in production from the United States. Production in the United States has fallen from 4.7 Bcf/yr in 2011 (75% of world demand) to just 3 Bcf/yr in 2019

² M. Mueller, P. Geo, CFA, *Helium – It's a Gas – A Unique Investment Opportunity in an Emerging Industry*, Cormark Securities Inc., July 29, 2020, p. 5. Retrieved from https://www.petrelrob.com/files/CormarkHelium_29072020.pdf.

(55% of world demand)³. Helium production from the US will continue to decline without additional discoveries and development. The three largest sources of helium production in the US are the Labarge Field in Wyoming, the Hugoton Gas Field that spans Texas, Oklahoma and Kansas and production from the Bureau of Land Management (BLM) Federal Helium Reserve (FHR) stored in Bush Dome in the Cliffside Field near Amarillo Texas. The Hugoton natural gas field is one of the largest conventional gas fields in the United States and contains ~0.7% helium. The field has been producing since 1928 and has produced 27 Tcf of natural gas to date⁴. Production from the field is currently 156 Mmcfd of natural gas (400 Mcf/yr of helium)⁵ and is declining at ~6% per year⁶ and has just 3 – 4 Tcf of natural gas remaining⁷.

The US FHR has been storing helium as a critical resource since 1925. In 2013, the US Congress passed the *Helium Stewardship Act* which mandated the BLM auction off the helium reserves and sell the Cliffside facilities and pipeline assets by October 2021. The reserve volumes were auctioned off starting in 2014 with the final sale occurring in 2018 for FY2019 deliveries. A few private companies have storage there and the government has a reserve of 3 Bcf that is available for federal users, but private sales are no longer available⁸. Consequently, almost 15% of the world's supply of helium will no longer be available for sale as the FHR production comes to an end.

In the near term, this helium shortfall will be offset by two large scale LNG projects expected to come on stream later this year; Qatar Gas' Helium 3 expansion at Ras Laffan, Qatar (0.04% helium) and Gazprom's Amur 1 LNG project (0.15% helium) in eastern Russia. The Ras Laffan Helium 3 project is over two years behind schedule and both projects will need to be commissioned and ramped up to meet demand⁹.

The US has not been able to increase its helium production as part of their LNG developments as the primary gas source for US LNG is shale gas. Shale gas contains little to no helium whatsoever given the shale is both the source and reservoir for the natural gas and often does not contain a sufficiently impermeable caprock. In addition, the successful shale gas boom in the US has reduced natural gas prices and has limited the exploration for conventional gas reservoirs that might contain helium¹⁰.

Helium Pricing

Pricing within the helium industry is opaque as buyers such as governments and large industrial gas companies and sellers like national oil companies (NOC's) typically enter into long term confidential contracts.¹¹ Helium is not a traded commodity so there is no functional spot market or a futures market that exists for helium. Recently, the auction process from the FHR provided a benchmark for understanding historical worldwide helium prices.

³ A. Kapadia and J. Ashfield, *Helium A super cool commodity*, Hannam & Partners, December 14, 2020, pp. 48, 50. Retrieved from <http://www.hannam.partners/search/?q=helium>.

⁴ *Op. cit.*, Bahl p. 4.

⁵ *Op. cit.*, Kapadia, Ashfield p. 48.

⁶ *Op. cit.*, Bahl p. 5.

⁷ *Ibid.*, Bahl p. 4.

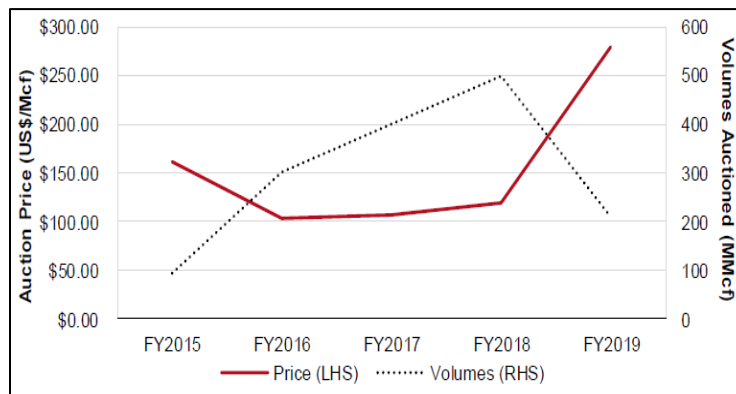
⁸ *Ibid.*, Bahl p. 4.

⁹ *Op. cit.*, Kapadia, Ashfield p. 54.

¹⁰ *Op. cit.*, Bahl p. 10.

¹¹ *Ibid.*, Bahl pp. 19, 33.

US BLM Federal Helium Reserve Auction Results



Source: US Bureau of Land Management, Cormark Securities Inc.

As shown in the figure above, the price of the FHR crude helium increased from US\$161/Mcf in FY2015 to US\$280/Mcf in FY2019. This sets a low benchmark price for producers given the low purity of the FHR crude helium (70% to 80%) and the need for the purchasers to first refine it to Grade A purity (99%) or higher for sale.

More recent pricing data is available for Grade A helium imports into China and the European Union (EU). Recent sales into China have varied between US\$300/Mcf to over US\$500/Mcf and in the EU helium prices have varied between €250/Mcf and €400/Mcf (US\$300/Mcf to US\$480/Mcf). These prices correspond to wholesale prices with retail prices well above that level. There are many examples of end consumers paying retail prices of US\$500/Mcf to over US\$1,000/Mcf¹².

Market Size and Growth

Based on the above, the helium market is estimated at US\$1.5 billion per year to the producer (based on US\$250/Mcf) and the market size to the consumer is 3 to 4 times that size. Growth projections for the helium market beyond 2020 vary with one source estimating a range of 1.4% to 6.4% CAGR with a base case 4% CAGR, which would equate to a market size of 7.5 Bcf/yr by 2025 and 8.5 Bcf/yr by 2030¹³.

Customers

The top three helium distributors are major industrial specialty gas companies – Linde PLC, Air Products Inc., and L’Air Liquide S.A. – who dominate the global market in wholesale distribution. Smaller sized, mid-stream distributors include Messer Group GmbH/CVC Capital Partners, Matheson Tri-Gas, Inc./Taiyo Nippon Sanso Corporation, Iwatani Corporation of America and Uniper SE. These mid-stream helium suppliers do not tend to get involved in the upstream exploration and development of helium and are keen to diversify their supply options. Equally, direct wholesale purchasers of helium are also keen to diversify their supply¹⁴. While the Company may choose to partner with or sell to the major industrial gas companies, the Company’s strategy is to become a fully integrated helium developer and processor and we plan to sell directly to a limited number of major distributors and end-users in order to capture higher margins on our products. A number of our competitors are currently using this strategy and provide bulk helium distribution in pressurized gas containers (180 Mcf) or ISO liquid containers (42,000 litres or 1 Mmcf equivalent). The pressurized containers are transported by semitruck and readily available in North America. The liquid ISO containers are also transported by semitrucks and may either be sold in North America or shipped overseas to markets in Asia or elsewhere.

¹² *Op. cit.*, Kapadia, Ashfield p. 1.

¹³ *Ibid.*, Kapadia, Ashfield pp. 1, 4, 63.

¹⁴ *Ibid.*, Kapadia, Ashfield p. 22.

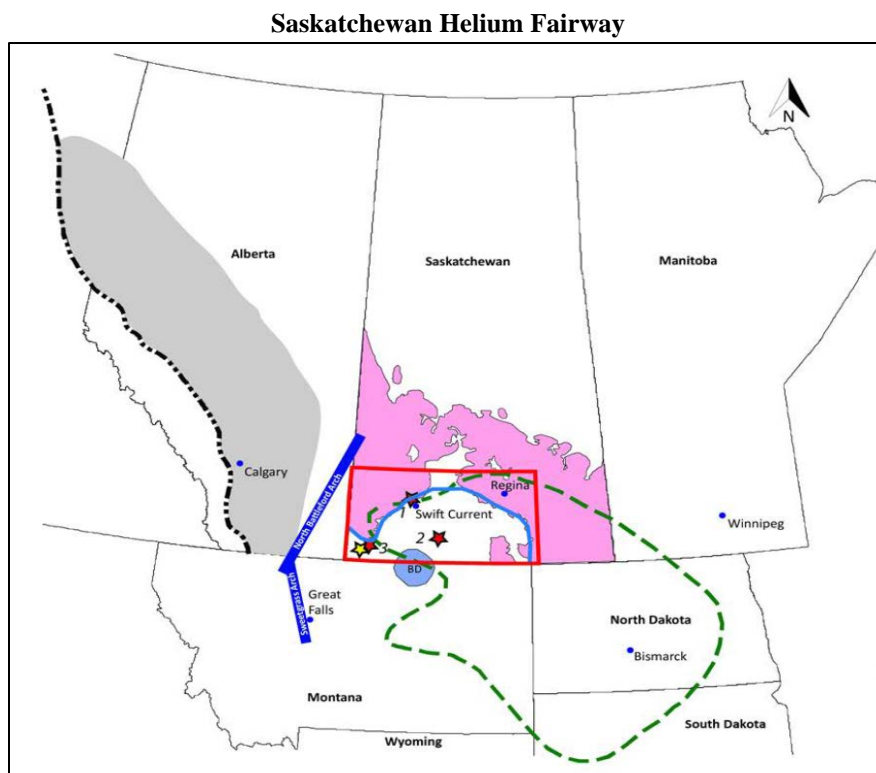
Competitive Conditions

The helium industry is competitive, and the Company must compete in all aspects of its operations with a substantial number of other corporations. Given our current land base in Saskatchewan, North American Helium Inc., Royal Helium Ltd., and Weil Group Resources, LLC are considered direct competitors to the Company. Access to lands and prospects represent the largest challenge from these competitors. The Company intends to manage this risk by identifying high quality prospects and licensing lands that are currently available or, alternatively, acquiring prospective lands when they become available after expiry from their current owners. The Company plans to further mitigate this risk by looking for high quality prospects in other parts of Canada and the United States. Competition for skilled labour and access to equipment is not considered to be highly competitive in the current market environment. The competitive conditions for land, labour, equipment, and capital may change in the future. See “*Risk Factors*” below.

Helium Fairway

Southwestern Saskatchewan is part of the Western Canadian Sedimentary Basin (WCSB), a foreland basin wedge of Phanerozoic sediments between the Canadian Shield zero edge to the east, thickening towards the cordillera in the west. To the south, the Saskatchewan basin grades into the cross-border Williston Basin. To date, helium production and helium shows and production in this area are from lower Paleozoic rocks, mostly Cambrian and some Devonian.

Currently, Saskatchewan helium production is almost all located along the northern rim of the Williston Basin and the edge of the Swift Current platform, close to the edge of the Devonian Prairie Evaporite. The properties over which the Company’s holds its permits are in this same area. The figure below indicates the location of the Saskatchewan helium fairway.



Source: Helium in Southwestern Saskatchewan, Melinda Yurkowski 2016

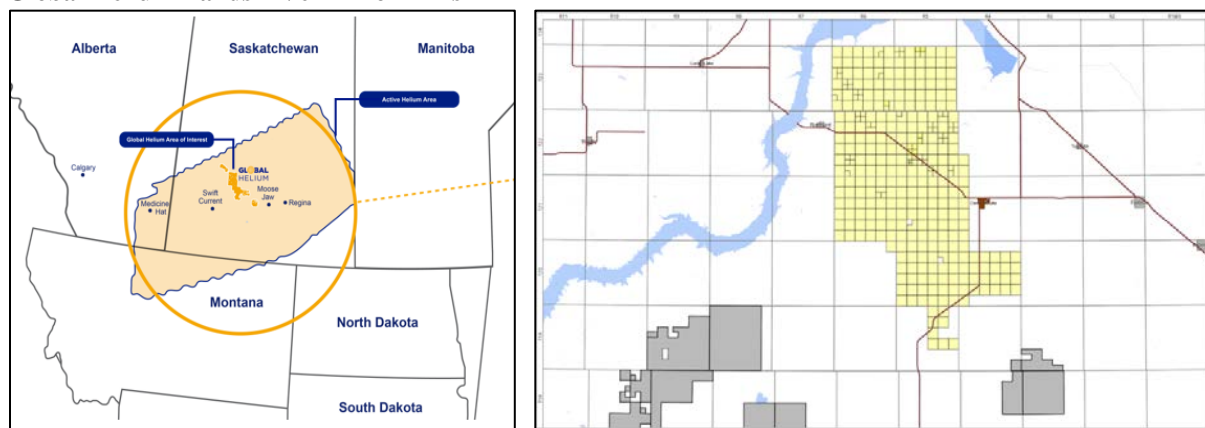
Published data from 1960 onwards has identified this area for prospective helium. To date, helium has been tested and produced in concentrations ranging from 0.8 to 2.2 percent and associated with high concentrations of nitrogen

throughout the fairway. These helium discoveries were made pre-1960 as early explorers for oil and natural gas in Saskatchewan found “inert, non-flammable or non-combustible gas” associated with the high percentages of nitrogen. The primary source of helium in Saskatchewan is purported to be from Precambrian rocks with high content of uranium and thorium. As shown by the red stars in the figure above, helium has been produced in Saskatchewan at 1) Wilhelm, 2) Mankota and 3) Battle Creek¹⁵. The Wilhelm area produced helium from 1963 until 1977, the Weil Group Resources, LLC has been producing helium at Mankota for two years, and North American Helium Inc. is currently constructing a helium facility at Battle Creek. Most recent helium exploration has concentrated on sandstones at the base of the Deadwood Formation. The prospective area extends into southern Alberta and northern Montana which are also known helium areas and the center of active helium exploration today.

Vermillion Hills Area

The Company holds two helium exploration permits in southern Saskatchewan in the Vermillion Hills area. The two permits cover 72,000 hectares (~180,000 acres) and are centered around Township 022, Range 05W3M, 160 kilometres northeast of Swift Current. The permits are Saskatchewan Crown Land Agreements: Helium Permit H00341 and H00352 which were issued to the Company in September and October of 2019, respectively. The permits are for a 5-year term and include all helium rights from the top of the Duperow Formation to the Precambrian basement.

Global Helium Lands – Vermillion Hills

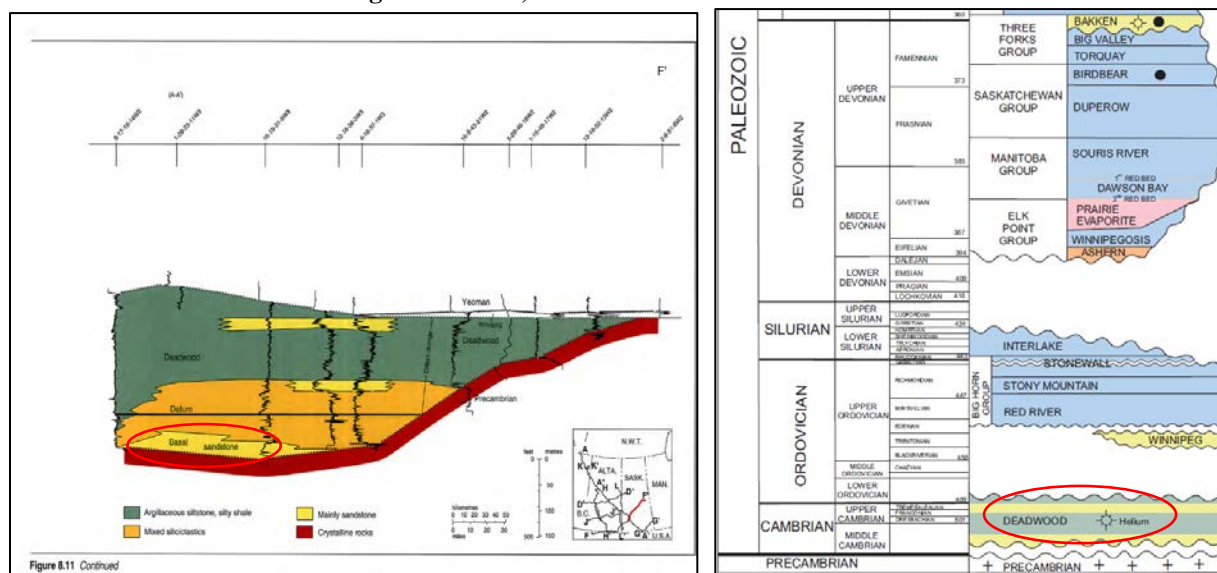


Source: The Company

The Vermillion Hills area has all the geological criteria necessary for a potential helium prospect and the granitic basement is at a depth of approximately 2,000 to 3,000 metres. This is deep enough to have the potential to trap gas in the overlying sediments but not so deep as to make drilling prohibitively expensive and increase the risk of poor reservoir quality. In this area, there are potential reservoir rocks above the basement which would allow accumulations of gas. Below is a schematic cross section of the lower Paleozoic section in Saskatchewan including the Cambrian basal Sandstone reservoir which is our primary target.

¹⁵ M. Yurkowski, *Helium in Southwestern Saskatchewan: Accumulation and Geological Setting*, Government of Saskatchewan December 14, 2016, p. 2. Retrieved from <https://publications.saskatchewan.ca/#/products/82133>.

Deadwood Basal Sandstone Target Reservoir, Formations of Saskatchewan



Source: Atlas of the Western Canadian Basin, Chapter 8 and Government of Saskatchewan

Based on available data, it is management of the Company's view that the structural complexity of the basement has likely produced structural traps in the overlying sediments. The tight carbonates and evaporites of the Devonian interval above the Deadwood Formation are good potential seals for trapped helium. Hence this area is considered prospective for helium exploration because it has a potential helium source, migration pathways, the potential for high helium concentrations, potential structural traps with known reservoir rocks and possible sealing formations above the reservoir.

Importantly, two or more large scale Precambrian structures are present on the Company's exploration permits. On the southern permit, the Company has acquired and processed legacy 2D seismic data that clearly indicates a structural high at the basement level and a potential structural trap in the sediments above. Seismic attributes indicate possible reservoir rock in the lower part of the Deadwood Formation. This feature has been known for many decades and was referred to as the Lawson structure¹⁶. The structure was drilled in 1944 by Imperial Oil (Lawson No. 1 16-13-021-06W3) exploring for hydrocarbons and reached a shale at the top of the Deadwood Formation but the well did not penetrate the basal sands or reach the basement. Due to the age of the well limited information is available however review of the available well data showed the well was drill stem tested and recovered "non-combustible gas".

In our Northern permit, the Elbow structure was also drilled by Imperial Oil in the exploration for hydrocarbons in 1944 at 12-25-23-06W3. The well did not penetrate the Cambrian but based on the well data and review of available seismic data, management of the Company is of the view that there is a significant structure at depth.

The Saskatchewan Advantage

There are a number of advantages inherent in exploring for helium in southern Saskatchewan, namely:

- There is proven helium production and reserves in the fairway;
- Gas analyses show commercial concentrations of helium of 0.8% to 2.2%;
- The helium is primarily associated with nitrogen and may not be associated with hydrocarbons (which has a higher carbon footprint and political implications);
- Extensive data is available such as gas analysis, pressure data, well logs and core data;

¹⁶ R.G. Agarwal, H.B. Sawatsky, W. Wilson, *Geological Report 49: Helium Prospects in Southwest Saskatchewan*, Province of Saskatchewan, Department of Mineral Resources, Geological Sciences Branch, Geophysics Division, 1960, p. 23. Retrieved from <https://publications.saskatchewan.ca/#/products/7433>.

- Significant historical seismic data is available;
- A highly motivated workforce with crossover skills from the oil and gas industry including well services and engineering, procurement, and construction firms (EPC) is available;
- Existing infrastructure – roads, power, and rail;
- Stable business and regulatory environment; and
- Saskatchewan has favorable royalties for helium (4.25% net royalty rate).

Operations

The Company's operations currently consist of acquiring, shooting, and processing seismic, evaluating our land base with engineering and geoscience, and evaluating additional lands and opportunities to increase our holdings. See "*Use of Available Funds*" below.

Employees

As of March 2021, we had no full-time employees and no part time employees, however, we have 4 full and part time consultants located in Canada who operate our business. Wes Siemens, our President, and Nathan Steinke, our CFO are based in Calgary, Alberta. None of our consultants are subject to a collective bargaining agreement or represented by a trade or labor union. We believe that we have a good relationship with our consultants.

Key Partners

The Company has no key partners.

Specialized Skills and Knowledge

The Company will hire, retain, and utilize specialized skills and knowledge in its initial stages as required. In the exploration stage, geoscientists are employed to analyze seismic, pre-existing well data and other information to identify potential areas to explore for helium. Once targets are identified and captured, third party drilling and completion firms are hired to provide the rigs, equipment, and expertise to safely drill and complete wells and to test for helium gas. If and when helium is discovered, third party Engineering, Procurement and Construction (EPC) firms will be engaged to design and construct the gathering system and helium processing facility. Field operators will be hired to operate the facility. Marketing expertise will be required to secure customers both short and long term and to ensure we maximize the price received for our product. All of the necessary skills and knowledge mentioned are readily available within the oil and natural gas sector. In addition, health safety and environment, governance, strategy, finance, marketing, and risk management expertise is required throughout all of these stages. The management team and Board members have extensive experience in all areas as well as established relationships to engage third parties where needed. See "*Directors and Executive Officers*".

Government Regulation

In Canada, helium exploration and production is subject to similar controls and regulations as those in the natural gas industry imposed by various levels of government at the federal, provincial, and municipal levels. It is not expected that any of these controls or regulations will affect the operations of the Company materially different than they would affect other companies of similar size that are exploring for or producing helium. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted.

In Canada, the price of helium sold in interprovincial and international trade is determined by negotiation between buyers and sellers. On July 1, 2020, *Canada-United States-Mexico Agreement* (CUSMA) became effective among the governments of the United States, Mexico, and Canada. Under CUSMA the parties resolved to replace the 1994 North American Free Trade Agreement with a 21st Century, high standard new agreement to support mutually beneficial

trade leading to freer, fairer markets, and to robust economic growth in the region¹⁷. Both the United States and Mexico have categorized helium on their respective tariff schedule as staging category “0” or “duty-free” on the date of entry into force of CUSMA.

The helium industry is subject to environmental regulation pursuant to federal and provincial legislation. Federally, environmental regulations are contained in the *Canadian Environmental Protection Act*, S.C. 1999, c. 33. In Saskatchewan, environmental compliance for exploration and production activities are governed by the *Environmental Assessment Act*, S.S. 1979-80, c. E-10.1, as amended. Environmental legislation provides for restrictions and prohibitions on releases or emissions of various substances produced or utilized in association with certain helium industry operations. In addition, legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in the imposition of fines and penalties.

Helium in Canada is owned by the respective provincial governments. The provincial governments grant rights to explore for and to produce helium and provide regulations that define land tenure, royalties, environmental protection, and other matters. In Saskatchewan, the exploration and development of helium is governed under *The Crown Minerals Act*, S.S. 1984-85, c. C-50.2, as amended. Leasing permits, land tenure, annual lease rentals, expenditure requirements, and applicable royalties fall under *The Oil and Gas Tenure Registry Regulations*, S.R. 87/2020, c. C-50.2 Reg 31, defined specifically to “helium and associated gases”.

Specific to our two land permits at Vermillion Hills, the Company has exploratory work commitments over a five-year period as follows:

Year	\$/ha	Permit H00341	Permit H00352	Total
2020	\$0.50	\$19,000	\$17,000	\$36,000
2021	\$0.50	\$19,000	\$17,000	\$36,000
2022	\$1.00	\$38,000	\$34,000	\$72,000
2023	\$1.50	\$58,000	\$50,000	\$108,000
2024	\$1.50	\$58,000	\$50,000	\$108,000

The expenditures in Years 4 and 5 are only required if drilling has not occurred by year 3. The permits may be converted to production leases once a well is drilled, and the formation is proven productive. In 2020, the Company was granted an extension of one year by the Saskatchewan government to incur the 2020 qualifying annual permit expenditures. With the extension, the Company is required to spend \$38,000 and \$34,000 by year-end 2021 on permits H00341 and H00352, respectively. As of December 31, 2020, the Company had incurred approximately \$32,000 of \$38,000 and \$Nil of \$34,000 of qualifying expenditures on its two helium permits. The Company is currently shooting a seismic program which will meet or exceed the spending requirements for both permits set out to the end of year 2021.

The royalty regime is a significant factor in the profitability of helium production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties in Saskatchewan are outlined in *The Oil and Gas Tenure Registry Regulations*, section 9-26, such that the royalties for helium and associated gases are 5% less a royalty credit of 0.75% for a net royalty of 4.25%.

Intangible Properties

Our intellectual property is primarily in the form of trademarks and domain names. We also hold rights to several website addresses related to our business including websites that are actively used in our day-to-day business such as www.globalhelium.com.

¹⁷ *Canada-United States-Mexico Agreement (CUSMA) – Preamble*, retrieved from <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/text-texte/00.aspx?lang=eng>.

Changes to Contracts

The Company does not expect any changes to any of the material contracts it has for the current fiscal year.

USE OF AVAILABLE FUNDS

Proceeds

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this prospectus. Accordingly, there are no proceeds.

Funds Available

As at [●], we had cash on hand of [\$5,900,000]. [NTD: at a date within 30 days of the date of the FINAL prospectus.] These funds represent the funds available with which to fund the principal purposes set out below.

We will require additional funds to grow our business beyond the proposed uses as set out herein. The Company intends to make additional debt and/or equity offerings to raise further funds.

Use of Available Funds

The principal purposes for which the funds available are intended to be used, in order of priority, are as follows:

Description	Funds to be Expended
CSE Listing and Other Public Company Costs	\$100,000
Phase 1 Exploration (seismic, drilling, completion, testing)	\$2,400,000
G&A (Salaries, Consulting, Software Licenses, Transfer Agent, Legal, Audit, Rent, Misc.)	\$1,300,000
Travel, Merger and Acquisition Assessments, Communication, Shareholder Education, Introductions, Networking, Offtake Agreements, Financing	\$1,900,000
Unallocated Working Capital	\$200,000
TOTAL	\$5,900,000.00

We intend to spend the funds available to us as stated in this prospectus. There may be circumstances; however, where, for sound business reasons, a reallocation of funds may be necessary. See “*Risk Factors*”.

Business Objectives and Milestones

The Company’s primary business objective is to discover, develop and produce commercially viable quantities of gaseous and/or liquid helium to sell to a small number of identified potential customers. The Company’s immediate objective is to discover helium resources. The Company does not currently have sufficient working capital to achieve its longer-term objectives of developing and producing commercially viable quantities of gaseous or liquid helium.

Milestones

The Company has identified the following milestones that can be achieved with its available funds over the twelve to eighteen months. These milestones are key to achieving our primary business objective:

Description	Timeline	Estimated Cost to Complete
Shoot and evaluate 2D seismic, evaluate log data and confirm primary prospects at Vermillion Hills	0 – 6 months	\$300,000
Drill, complete and test Vermillion Hills prospect	6 – 12 months	\$1,800,000
Confirm commerciality and reserve assessment	12 – 18 months	\$200,000

In addition to the above milestones, the Company intends to add to its existing land base through land sale purchases and acquisitions in order to increase our access to helium opportunities in Western Canada and the United States. Once additional financing is obtained, the Company intends to design, construct, and operate a processing facility tailored to the size and scale of our proposed production and to transport high purity helium to key customers in the United States and abroad.

DIVIDEND POLICY

The Company has never paid any cash dividends and intends, for the foreseeable future, to retain any future earnings for the development of our business. Our future dividend policy will be determined by the board of directors on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the Company for the years ended December 31, 2020, and 2019, are included as Schedule "B".

DESCRIPTION OF SECURITIES

Authorized Capital

We have authorized an unlimited number of Class A voting common shares, an unlimited number of Class B non-voting common shares, and an unlimited number of Preferred Shares, issuable in series, with rights and privileges to be set by the board of directors.

Capital Issued and Outstanding

As of the date hereof, we have issued and outstanding securities on a fully diluted basis, consisting of:

- 32,300,000 Common Shares;
- Stock option grants for the purchase of 2,000,000 Common Shares at an exercise price of \$0.15;
- Warrants to purchase 18,800,000 Common Shares at an exercise price of \$0.25 and warrants to purchase 13,500,000 Common Shares at an exercise price of \$1.00 per share, all of which will expire 24 months from the Listing Date.

See “*Prior Sales*”.

Class A Common Voting Shares

The Company is authorized to issue an unlimited number of Class A common shares without nominal or par value.

As at the date of this prospectus, the Company has 32,300,000 Common Shares issued and outstanding. Holders of Class A common shares are entitled to one vote per share upon all matters on which shareholders have the right to vote. The Class A common shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. The Company may, if authorized by its Board, purchase or otherwise acquire any of its common shares at a price and upon the terms determined by the directors. Holders of the Class A common shares are entitled to receive such dividends as may be declared by its Board of Directors out of funds legally available therefor. In the event of dissolution or winding up of the affairs of the Company, holders of the Class A common shares are entitled to share ratably in all assets of the Company remaining after payment of all amounts due to creditors. See “*Prior Sales*”.

Class B Non-Voting Common Shares

The Company is authorized to issue an unlimited number of Class B non-voting common shares without nominal or par value of which, as at the date hereof, there are currently none issued and outstanding. Holders of Class B common shares are not entitled to vote except in circumstances as prescribed by the *Business Corporations Act* (Alberta). The Class B common shares do not have pre-emptive rights and are not subject to redemption or retraction provisions. The Company may, if authorized by its Board, purchase or otherwise acquire any of its common shares at a price and upon the terms determined by the directors. Holders of Class B common shares are entitled to receive such dividends as may be declared by its Board of Directors out of funds legally available therefor. In the event of dissolution or winding up of the affairs of the Company, holders of the Class B common shares are entitled to share ratably in all assets of the Company remaining after payment of all amounts due to creditors.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares without nominal or par value of which, as at the date hereof, there are currently none issued and outstanding.

The preferred shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions, and conditions which the Board of Directors of the Company determines prior to the issue thereof. The preferred shares rank prior to the common shares with respect to the payment of dividends and distribution in the event of liquidation, dissolution or winding-up of the Company.

Warrants to Purchase Class A Common Shares

As of the date hereof, we had warrants to purchase 18,800,000 Common Shares at an exercise price of \$0.25, which will expire 24 months from the Listing Date and warrants to purchase 13,500,000 Common Shares at an exercise price of \$1.00 per share, which will expire 24 months from the Listing Date. See “*Prior Sales*”.

Options to Purchase Class A Common Shares

The Board of Directors of the Company adopted a stock option incentive plan. See also “*Options to Purchase Securities*”.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Company’s capitalization as at December 31, 2020, and as of the date of this prospectus and is qualified in its entirety by the Company’s audited financial statements for the year ended December 31, 2020:

Description	Outstanding as at December 31, 2020	Outstanding as at the date of this prospectus
Class A Common Shares ⁽¹⁾	20,000	32,300,000
Class B Common Shares	Nil	Nil
Preferred Shares	Nil	Nil
Stock Options ⁽²⁾	Nil	2,000,000
Warrants ⁽³⁾	20,000	32,300,000
Long-term Debt	\$nil	\$nil

Notes:

- (1) Without giving effect to the conversion of any options or warrants to purchase Class A common shares.
- (2) The Company has a stock option plan which allows it to issue options to purchase up to 10% of the outstanding Class A common shares from time to time. See “Options to Purchase Securities”.
- (3) There are warrants to purchase 18,800,000 Common Shares at an exercise price of \$0.25, which will expire 24 months from the Listing Date and warrants to purchase 13,500,000 Common Shares at an exercise price of \$1.00 per share, which will expire 24 months from the Listing Date.
- (4) As at the ●, 2021, the Company had working capital of approximately \$● and no bank debt.

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan (the “**Plan**”) pursuant to which it has issued options to purchase an aggregate of 2,000,000 Common Shares as set out in the table below (the “**Stock Options**”).

The Plan provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares exercisable for a period of up to five years from the date of grant. The exercise price for each option shall be determined by the Board of Directors, subject to the Policies of the CSE, at the time the option is granted, but such price shall not be less than the higher of the closing prices of the Common Shares on either the date of grant or the trading day prior to the date of grant. The exercise price may not be reduced without applicable regulatory approval. The Board may determine in its discretion which options shall vest and the method of vesting, subject only to compliance with the Policies of the CSE. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company provided that if the cessation of office, directorship, employment, or consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The number of Common Shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the aggregate issued and outstanding Shares of the Company at the time of grant, but this maximum number may be revised from time to time by the Board in accordance with the policies of the CSE. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

The number of Stock Options which may be granted under the Plan (calculated at the Grant Date), within a 12 month period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant unless Disinterested Approval is obtained; and

- (b) to any one consultant shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant; and
- (c) all Eligible Persons who undertake Investor Relations Activities shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares in any 12 month period, on a non-diluted basis; and
- (d) unless shareholder approval is obtained as provided for in Section 2.25 of National Instrument 45-106 – *Prospectus Exemptions* (which includes Disinterested Approval, as defined therein) following the distribution:
 - (i) the number of Common Shares, calculated on a fully diluted basis, reserved for issuance upon exercise of options to directors, executive officers or related entities of the Corporation, or an associate or permitted assign of directors, executive officers or related entities of the issuer (collectively, a “**related persons**”) may not exceed 10% of the issued and outstanding Common Shares in a 12 month period (5% to an individual related person); and
 - (ii) the number of Common Shares, calculated on a fully diluted basis, issued in twelve (12) months upon exercise of options to a related person may not exceed 10% of the issued and outstanding Common Shares in a 12 month period (5% to an individual related person).

As at the date hereof, the Company issued an aggregate of 2,000,000 Stock Options under the Plan. The following table summarizes the options issued as of the date of this prospectus:

Group	Number of Options/ Rights ⁽¹⁾	Securities Under Options/ Rights	Grant Date	Expiry Date	Exercise Price per Common Share (\$)	Market Value of Common Shares on Grant Date ⁽³⁾ (\$)	Market Value of Common Shares as of Date of Prospectus ⁽³⁾ (\$)
Executive officers of the Company as a group	900,000	900,000	February 1, 2021	February 1, 2023	\$0.15	N/A	N/A
Directors of the Company as a group who are not also executive officers	800,000	800,000	February 1, 2021	February 1, 2023	\$0.15	N/A	N/A
Consultants and other non-executive personnel of the Company as a group ⁽³⁾	300,000	300,000	February 1, 2021	February 1, 2023	\$0.15	N/A	N/A
Total	2,000,000	2,000,000					

Notes:

- (1) All of the options vested immediately upon issuance.
- (2) The Company's shares do not yet trade on any market.
- (3) The Company does not have any employees.

PRIOR SALES

The following table summarizes the issuance of securities by the Company over the twelve (12) month period prior to the date of this prospectus:

Date	Price per Security (\$)	Number and Type of Security	Reason for Issuance
November 30, 2020	\$0.005	20,000 Units ¹	Acquisition of Yellow Line Helium Limited Partnership
January 1, 2021	\$0.005	7,980,000 Units ²	Equity raise
January 15, 2021	\$0.02	5,500,000 Units ²	Equity raise
February 1, 2021	\$0.05	5,300,000 Units ²	Equity raise
February 15, 2021	\$0.50	538,000 Units ³	Debt Settlement
February 15, 2021	\$0.50	2,108,000 Units ³	Debt Settlement
March 1, 2021	USD\$0.39	8,756,403 Units ³	Equity raise
March 1, 2021	\$0.50	2,097,597 Units ³	Equity raise

Notes:

- (1) Each Unit consists of one Class A common share and one warrant. Each warrant entitles the holder thereof to acquire one additional Class A common share at a price of CDN\$0.25 per share for a period of 24 months from the Listing Date. See also “*Describe the Business – History*”.
- (2) Each Unit consists of one Class A common share and one warrant. Each warrant entitles the holder thereof to acquire one additional Class A common share at a price of CDN\$0.25 per share for a period of 24 months from the Listing Date. See also “*Describe the Business – History*”.
- (3) Each Unit consists of one Class A common share and one warrant. Each warrant entitles the holder thereof to acquire one additional Class A common share at a price of CDN\$1.00 per share for a period of 24 months from the Listing Date. See also “*Describe the Business – History*”.

Trading Price and Volume

The securities of the Company are not traded or quoted on any Canadian stock exchange or other Canadian marketplace.

ESCROWED SECURITIES

None of the Company’s issued shares are held in escrow or are subject to a contractual restriction on transfer. Pursuant to the policies of the CSE, all securities of the Company held by a principal will be subject to escrow restrictions in accordance with National Policy 46-201 “Escrow for Initial Public Offerings” (“**NP 46-201**”), however, a principal who holds securities carrying less than 1% of the voting rights attached to the Company’s outstanding securities following the listing will not be subject to the escrow requirements under NP 46-201. Under the NP 46-201, a “principal” is defined as:

- (a) a person or company who acted as a promoter of the issuer within two years before the prospectus;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s prospectus; or
- (d) a 10% holder – a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s prospectus

and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

Concurrently with the listing of the Common Shares on the CSE, the Company will enter into an Escrow Agreement with Odyssey Trust Company, pursuant to which the Company's Named Executive Officers, directors, other Insiders and certain other shareholders will deposit all of their Common Shares in escrow as set out below.

Time or event for release of Escrowed Securities	Percentage of Common Shares to be Released	Number of Common Shares to be Released
On the Listing Date	10% of the Escrowed Securities	453,420 Common Shares
6 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares
12 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares
18 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares
24 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares
30 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares
36 months after the Listing Date	15% of the Escrowed Securities	680,130 Common Shares

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers

The following table sets forth certain information about our current directors and executive officers:

Name and Municipality of Residence	Position Held with the Company	Principal Occupation During the Past Five Years	Common Shares Beneficially Owned	Date First Elected or Appointed
Wesley Siemens <i>Calgary, Alberta</i>	President and Director	President & CEO of Kaden Energy Ltd., a private oil and gas company since July 2015.	160,000 (0.50%)	November 13, 2020
Nathan Steinke <i>Calgary, Alberta</i>	Chief Financial Officer	CFO for various public junior resource companies.	1,250,200 (3.87%)	November 13, 2020
Duncan Mackenzie <i>Saint-Lambert, Quebec</i>	VP Exploration	Geologist and Vice President of Exploration of the Company since November 2020; prior thereto Geologist with YLH LP from March 2020; prior thereto Senior Advisor Intersac Inc., a chemical manufacturing and distribution company from	1,776,600 (5.50%)	November 13, 2020

Name and Municipality of Residence	Position Held with the Company	Principal Occupation During the Past Five Years	Common Shares Beneficially Owned	Date First Elected or Appointed
		April 2018 to June 2019; prior thereto principal of Eliacam Enterprises Ltd., a consulting company from July 2011 to February 2020.		
Brad Nichol ⁽¹⁾ <i>Calgary, Alberta</i>	Interim CEO, Executive Chairman, Member of Audit Committee	President and CEO of Alpha Lithium Corp., a resource company since March 2020; President and CEO of Liberty One Lithium, a resource company since July 2017; prior thereto President of Acadia Iron Inc., a technology company from October 2014 to February 2018.	1,184,400 (3.67%)	November 13, 2020
Christopher Cooper ^{*(1)} <i>Vancouver, British Columbia</i>	Director, Member of Audit Committee	President of Canadian Towers & Fibre Optics Inc. a private international telecommunications company since September 2017; prior thereto President and CEO of Aroway Energy Inc., an oil and gas company, from January 2012 to November 2017.	1,000 (0.00%)	November 13, 2020
Roderick Nichol ^{*(1)} <i>Vancouver, British Columbia</i>	Director, Member of Audit Committee	Entrepreneur and senior advisor	160,000 (0.50%)	November 13, 2020
Scott Reeves <i>Calgary, Alberta</i>	Corporate Secretary	Lawyer, Partner, TingleMerrett LLP	2,000 (0.01%)	November 13, 2020

* Independent director

Notes:

(1) Member of the Company's audit committee.

All directors hold office until their successors are duly appointed or until their earlier resignation or removal. As at the date herein, as a group, the directors and executive officers of the Company held an aggregate of 4,534,200 Common Shares or 14.0% of the Common Shares of the Company (10,768,400 Common Shares, after giving effect to all convertible securities held or 16.2% of the Common Shares of the Company).

Wesley Siemens (Age 50) – Mr. Siemens was appointed President of the Company on February 15, 2021 and is a consultant to the Company. Mr. Siemens was previously the founder, President and CEO of a private equity funded, oil and gas exploration company, focused in Western Canada. He began his career in 1993 at Canadian Occidental Petroleum Ltd. and progressed from a number of technical roles to senior management positions over a 21-year period throughout the company's evolution to Nexen Inc. Mr. Siemens held a number of senior management positions including Production/Operations, Project Development, Oil Sands, Corporate Planning and Business Development, International Business Development, Technical Excellence and Alternative Energy. Mr. Siemens has extensive experience in M&A, including billions of dollars of transactions on both the acquisition and divestment side. He received his Bachelor of Science Degree in Mechanical Engineering from the University of Alberta in 1992 and completed an Executive Leadership Program at Oxford. Mr. Siemens will devote approximately 75% of his time to perform the work required in connection with his duties as President of the Company.

Brad Nichol (Age 50) – Mr. Brad Nichol was appointed Chief Executive Officer and Director of the Company as a consultant on November 13, 2020 until February 15, 2021, when he became Interim CEO and Executive Chairman. Mr. Nichol is currently the President and CEO of Alpha Lithium Corp. Throughout his +25-year career he has served

as both senior executive and director of a number of public and private enterprises across the finance and resource sectors. He has led successive organizations through multiple rounds of private and public project and corporate financings, initiated and executed dual listings, established key international and domestic financial relations, oversaw M&A, technical, operational, HR, investor relations, legal and regulatory functions as well as closing several accretive asset acquisitions and financings in multiple jurisdictions. Previously, Mr. Nichol worked at Schlumberger in various technical, managerial, marketing and sales roles in North America, South America, and Europe. Mr. Nichol earned his MBA at the London Business School (Honors 2003) and also holds a BSc. in Mechanical Engineering from the University of Alberta and has been a registered Professional Engineer since 1994. Mr. Nichol will devote approximately 10% of his time to perform the work required in connection with his duties as a Director of the Company.

Nathan Steinke (Age 47) – Mr. Steinke was appointed Chief Financial Officer of the Company as a consultant on November 13, 2020. Mr. Steinke is a chartered professional accountant with over 18 years of experience leading the finance functions for both public and private companies in the international resource sector. Since 2003, Mr. Steinke's responsibilities have comprised of all financial aspects of the companies including: debt and equity financings, corporate structure design and management, cash flow management and forecasting, legal and regulatory compliance, stakeholder engagement and reporting, dual listing execution and management, and risk management. Mr. Steinke will devote approximately 50% of his time to perform the work required in connection with his duties as Chief Financial Officer of the Company.

Duncan Mackenzie (Age 52) – Mr. Mackenzie was appointed VP Exploration of the Company as a consultant on November 13, 2020. Mr. Mackenzie is a geoscientist with 20 years' experience with all aspects of finding and commercializing industrial gases primarily in western Canada. Mr. Mackenzie has also worked as a geoscientist on U.S., South American, and West African projects. He is well versed in gas reserve evaluations and is privileged to be part of a network of skilled and experienced geoscientists in Calgary and Montreal. He has been working on rare gas exploration since 2015. Mr. Mackenzie will devote approximately 90% of his time to perform the work required in connection with his duties as VP Exploration of the Company.

Roderick Nichol (Age 53) – Mr. Rod Nichol was appointed Director of the Company on November 13, 2020. Mr. Nichol is an entrepreneur, senior adviser and private investor primarily based out of Vancouver. He is the Director of Lionsgate West Capital Ltd., a consultancy he founded in early 2021, and the Managing Director of Lionsgate Capital Limited, a principal investment and advisory firm, which he founded in Hong Kong in 2010. Prior to starting Lionsgate, he was a senior investment banker for thirteen years, based in London, with Merrill Lynch, Dresdner Kleinwort, and The Europa Partnership LLP. He has originated and executed numerous notable transactions globally, having been directly involved in over USD60bn (equiv.) in transaction value. These deals span both public and private situations, including principal investments, M&A/corporate finance advisory mandates, leveraged/acquisition financings, corporate & project financings, debt & equity capital raisings, and derivatives. Mr. Nichol has particular expertise in the natural resources, energy, infrastructure, TMT, and healthcare sectors. He has an MBA from London Business School and a Bachelor of Commerce degree from the Sauder School of Business at the University of British Columbia. Mr. Nichol will devote approximately 10% of his time to perform the work required in connection with his duties as a Director of the Company.

Christopher Cooper (Age 50) – Mr. Cooper was appointed Director of the Company on November 13, 2020. Mr. Cooper has over 20 years of experience in management and finance in the oil and gas, mining, and technology industries. Mr. Cooper received his B.A. from Hofstra University and his MBA from Dowling College, both in New York State. He has been involved in the creation and funding of several oil and gas issuers including Choice Resources Corp., an intermediate oil and gas producer before it was taken over in August 2007 by Buffalo Resources Corp. Mr. Cooper also sits on the board of several other junior public companies. He has sat on the audit committee of many public companies in several different industry sectors and has a broad comprehensive knowledge of financial reporting. Mr. Cooper will devote approximately 10% of his time to perform the work required in connection with his duties as a Director of the Company.

Scott Reeves (Age 51) – Mr. Reeves was appointed Corporate Secretary of the Company on November 13, 2020. Mr. Reeves is a partner at the law firm TingleMerrett LLP in Calgary, Alberta where he concentrates on securities, corporate finance and commercial transactions for emerging and growth companies, joint ventures, and partnerships. He has advised numerous private and public corporations (including registered dealers) in a wide range of business

matters including access to capital markets, corporate governance, and operational issues both nationally and internationally. Mr. Reeves currently acts as secretary and a director of a number of public companies. Mr. Reeves will devote approximately 5% of his time to perform the work required in connection with his duties as secretary of the Company.

Code of Conduct and Ethics

We have adopted conduct and ethics standards titled the code of ethics, which is available at www.sedar.com. These standards were adopted by our board of directors to promote transparency and integrity. The standards apply to our board of directors, executives, and employees. Waivers of the requirements of our code of ethics or associated policies with respect to members of our board of directors or executive officers are subject to approval of the full board.

Directors' Relationships with Other Reporting Issuers

The following table sets out the directors of the Company that are currently directors of other issuers that were or are reporting issuers:

Name	Name of Reporting Issuer	Exchange or Market
Brad Nichol	Alpha Lithium Corporation	TSXV, OTC
	Liberty One Lithium Corp.	TSXV, OTC
Wes Siemens	Prophecy Potash Corp	CSE
Rod Nichol	Pacific Legend Group Ltd.	Hong Kong
Chris Cooper	Alpha Lithium Corp	TSXV, OTC
	Aroway Energy Inc.	TSXV
	Planet Ventures Inc	TSXV
	Reparo Energy Partners Corp.	TSXV
	StartMonday Technology Corp.	CSE
	Sweet Earth Holdings Corp	CSE
	Level 14 Ventures Ltd.	CSE
	GrowMax Resources Corp.	TSXV
	New Leaf Ventures Inc.	CSE
	Manning Ventures Inc.	TSXV
	Savannah Minerals Corp.	TSXV

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, none of our directors or executive officers is or, within 10 years before to the date of this prospectus has been, a director or chief executive officer or chief financial officer of any company that while the director or officer was acting in that capacity, was the subject of:

- (a) a cease trade or similar order (including a management cease trade order that applied to the directors or executive officers of the company) for a period of more than 30 consecutive days; or

- (b) an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (c) was subject to an order of the type referred to in subparagraphs (i) or (ii) above that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company that resulted from an event that occurred while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of that company.

None of our directors or executive officers, nor any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor in the case of (b) below any personal holding company of any of the foregoing:

- (a) is or, within 10 years before to the date of this prospectus has been, a director or executive officer of any company that, while the director, officer or shareholder was acting in that capacity or within a year of the director, officer or shareholder ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before to the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, or shareholder.

On April 29, 2016, Edge Resources Inc., (“Edge”), of which Brad Nichol was a director and Chief Executive Officer and Mr. Steinke was the Chief Financial Officer, received an order of the Court of Queen’s Bench of Saskatchewan appointing Grant Thornton as receiver over the company’s Saskatchewan-based assets and, on September 2, 2016, received an order of the Court of Queen’s Bench of Alberta appointing Grant Thornton as receiver over the company’s Alberta-based assets. The receiver was discharged on the Alberta-based assets on December 19, 2016 and on the Saskatchewan-based assets on February 1, 2017. On August 5, 2016 Edge received a cease trade order from the Alberta Securities Commission for failure to file financial statements. Since a Receiver had been appointed for Edge on April 29, 2016, the officers and directors of Edge were no longer in control of the assets or undertaking of Edge, being replaced by Grant Thornton (the Receiver). This made it impossible, following such date, for the directors of Edge to affect the continuance of Edge’s public filings. A copy of the order may be provided by request.

Chris Cooper was a director of Avatar Petroleum Inc., which was cease traded on November 19, 2001 for failure to file financial statements, with the order subsequently revoked on December 3, 2001. On November 10, 2006, Mr. Cooper was subject to a management cease trade order in respect of Benchmark Energy Corp., for failure to file financial statements, which was revoked on January 11, 2007 after completion of the filings. Mr. Cooper was an officer and a director of Reparo Energy Partners Corp., a company which subsequently delisted, when it was cease traded on March 6, 2015. On October 29, 2015, Mr. Cooper and Mr. Nichol were subject to a management cease trade order in respect of Aroway Energy Inc., for failure to file financial statements, and subsequently Aroway Energy Inc. was cease traded. Mr. Cooper was a director of Edge Resources Inc. when it was cease traded on August 5, 2018, subsequent to which it was delisted. Mr. Cooper is also a director of StartMonday Technology Corp. and was subject to a management cease trade order dated May 1, 2019, for unfiled financial statements, and StartMonday Technology Corp. was subsequently delisted while the management cease trade order remained in effect.

Penalties or Sanctions

None of our directors or executive officers, nor any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any of the foregoing, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of our directors, officers or principal shareholders, or personal holding company of such persons, have, within the last 10 years, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts of Interest

The Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose his interest in the matter and abstain from voting for or against the approval of such participation or such terms. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interests.

AUDIT COMMITTEE

On November 13, 2020, we formed an Audit Committee. The current Audit Committee has two independent directors.

Audit Committee Charter

The Charter of the Company's Audit Committee is attached to this prospectus as Schedule "B".

Composition of the Audit Committee

The following are the members of the Committee:

Rod Nichol, Chair	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Chris Cooper	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Brad Nichol	Not Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined by Multilateral Instrument – *Audit Committees* ("MI 52-110").

Education and Experience

Mr. Rod Nichol: Mr. Nichol is an entrepreneur, senior adviser and private investor primarily based out of Vancouver. He is the Managing Director of Lionsgate Capital Limited, a principal investment and advisory firm, which he founded in Hong Kong in 2010. Prior to starting Lionsgate, he was a senior investment banker for thirteen years, based in London, with Merrill Lynch, Dresdner Kleinwort, and The Europa Partnership LLP. He has originated and executed numerous notable transactions globally, having been directly involved in over US\$60bn (equiv.) in transaction value. These deals span both public and private situations, including principal investments, M&A/corporate finance advisory mandates, leveraged/acquisition financings, corporate & project financings, debt & equity capital raisings, and derivatives. He has particular expertise in the natural resources, energy, infrastructure, TMT, and healthcare sectors. Rod has an MBA from London Business School and a Bachelor of Commerce degree from the Sauder School of Business at the University of British Columbia.

Mr. Chris Cooper: Mr. Cooper was appointed Director of the Company on November 13, 2020. Mr. Cooper has over 20 years of experience in management and finance in the oil and gas, mining, and technology industries. Mr. Cooper received his B.A. from Hofstra University and his MBA from Dowling College, both in New York State. He has been involved in the creation and funding of several oil and gas issuers including Choice Resources Corp., an intermediate oil and gas producer before it was taken over in August 2007 by Buffalo Resources Corp. Mr. Cooper also sits on the board of several other junior public companies. He has sat on the audit committee of many public companies in several different industry sectors and has a broad comprehensive knowledge of financial reporting.

Mr. Brad Nichol: Mr. Nichol was appointed Chief Executive Officer of the Company on November 13, 2020 until February 15, 2021, when he became Interim CEO and Executive Chairman. Mr. Nichol is currently the President and CEO of Alpha Lithium Corp. Throughout his +25-year career he has served as both senior executive and director of a number of public and private enterprises across the finance and resource sectors. He has led successive organizations through multiple rounds of private and public project and corporate financings, initiated and executed dual listings, established key international and domestic financial relations, oversaw M&A, technical, operational, HR, investor relations, legal and regulatory functions as well as closing several accretive asset acquisitions and financings in multiple jurisdictions. Previously, he worked at Schlumberger in various technical, managerial, marketing and sales roles in North America, South America and Europe. He earned his MBA at the London Business School (Honors 2003) and also holds a BSc. in Mechanical Engineering from the University of Alberta and has been a registered Professional Engineer since 1994.

Through such business experience, the members of the Audit Committee review financial statements and have an understanding of financial reporting controls and procedures.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-Audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Company by its external auditors.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees	Tax Fees	All Other Fees
2019	\$Nil	\$Nil	\$2,940	\$Nil
2020	\$19,500	\$5,000	\$7,350	\$Nil

Note:

- (1) The Company retained the services of RSM Alberta LLP to assist in the preparation of the Company's financial statements for the years ended 2019 and 2020.

Exemption

The Company is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Company is exempt from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110.

CORPORATE GOVERNANCE

Pursuant to National Policy 58-101 Disclosure of Corporate Governance Practices, the Company is required to and hereby discloses its corporate governance practices as follows:

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Chris Cooper and Rod Nichol are our "independent" board members in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders.

Directorships

None of the directors and officers of the Company are currently directors of other issuers that were or are reporting issuers, other than as stated herein. See *"Directors and Executive Officers – Directors' Relationships with Other Reporting Issuers"*.

Orientation and Continuing Education

The Corporation has not yet developed an official orientation or training program for new directors. The Board as a whole is responsible for overseeing continuing education for all directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board of Directors enacted a Code of Conduct and Ethics. The purpose of the code is to promote transparency of the Company and to ensure the integrity of the Company by setting forth general principles applicable to all of its officers, directors, and employees. The Board of Directors believes that the Code of Conduct and Ethics, the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Assessments

The board intends that individual director assessments be conducted by other directors, taking into account each director's contributions at board meetings, service on committees, experience base, and their general ability to contribute to one or more of our major needs. However, due to our stage of development and our need to deal with other urgent priorities, the board has not yet implemented such a process of assessment.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following compensation discussion and analysis ("CD&A") describes the significant elements of the Company's proposed executive compensation program, with particular emphasis on the process for determining compensation payable to the President, Chief Executive Officer, the Chief Financial Officer, and each of the two most highly compensated executive officers other than the President and Chief Executive Officer, and the Chief Financial Officer (collectively, the "Named Executive Officers" or "NEOs").

Based on compensation levels paid or issued during 2020, the NEO's, for the purposes of this CD&A for the year ending December 31, 2020, are as follows:

- Brad Nichol, Chief Executive Officer
- Nathan Steinke, Chief Financial Officer
- Duncan Mackenzie, VP Exploration

This CD&A reflects the current expectations of Management with respect to the Company's executive compensation program following the Listing. While there is no present intention to make any material changes to the Company's current executive compensation program, the Board of Directors may review the Company's executive compensation program and, if determined appropriate, may make changes to the program in light of relevant factors including the Company's status as a public company.

Overview

The Company's executive compensation program is administered by the Board of Directors. The Board of Directors is responsible for reviewing the Company's compensation policies, compensation matrix and guidelines generally.

Compensation Philosophy and Objectives of the Compensation Program

The Company's compensation program intends to seek to encourage growth in reserves, production, cash flow, and earnings while achieving best in class safety performance and attractive returns on capital to enhance shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance to achieve the Company's strategic objectives and align the interests of executive officers with the long-term interests of the Company's shareholders and enhancement in share value.

Components of Compensation

The Company compensates its NEOs through the following: (i) base fees; (ii) discretionary cash bonuses paid from time to time based on performance; and (iii) long-term incentive compensation comprised of grants of Options at levels which the Board of Directors believes are reasonable in light of the performance of the Company.

Base Fees

Base fees are intended to compensate each NEO's core competencies, skills, experience, and contribution to the Company. The Board of Directors believes that base fees should be competitive but total compensation should be weighted toward variable, long term performance-based components.

The Board of Directors will review and select a compensation peer group of helium exploitation and development companies operating in areas with an operational and risk profile similar to the area in which the Company operates. Base fees will be compared to the Company's industry peer group through publicly available information and available compensation surveys prepared by compensation consultants. Consideration has been and will be given to the Company's growth plans, area of operations and its objective of attracting and retaining highly talented individuals from within the industry.

Cash Bonus

Discretionary cash bonuses are intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Cash bonuses are paid at the discretion of the Board of Directors based upon the achievement of certain corporate objectives. Cash bonuses awarded by the Board of Directors are intended to be generally competitive with the market. The Board of Directors considers the Company's performance during the year with respect to the qualitative goals in the context of market and economic trends and forces, extraordinary

internal and market-driven events, unanticipated developments, and other extenuating circumstance in making bonus determinations.

Given the early stage of development of the Company and its lack of sustained cash flow, no cash bonus payments were paid in 2020 or as of the date of this prospectus. At this point no bonuses are intended to be paid for the foreseeable future. Similar to the determination of base fees, consideration will be given to the Company's compensation peer group when determining the final amount of any cash bonuses to be paid.

Proposed cash bonuses for NEOs, excluding the President and/or Chief Executive Officer, will be recommended by the President and Chief Executive Officer, reviewed by the Board of Directors, and, if deemed appropriate, approved.

Option Awards

The incentive stock option plan is administered by the Board. The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the CSE requirements, grant to Directors, officers and technical consultants to the Company, non-transferable, non-assignable Options, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any twelve-month period will not exceed 5% of the issued and outstanding Common Shares unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable CSE requirements. In addition: (i) the number of Common Shares reserved for issuance to any one technical consultant will not exceed 2% of the issued and outstanding Common Shares; and (ii) the number of Common Shares reserved for issuance to persons providing investor relations activities will not exceed 2% of the issued and outstanding Common Shares. Subject to the following, Options must be exercised within 90 days following cessation of the Optionee's position with the Company, provided that if the cessation was due to death or disability, the Option may be exercised within a maximum period of one year after such death or disability, subject to the expiry date of such Option.

The Board shall establish the price of the Options at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the CSE. Subject to any vesting restrictions imposed by the CSE, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. As of the date of this prospectus, 2,000,000 options of the Company are outstanding.

Risk Assessment and Oversight

The Board of Directors are keenly aware of the fact that compensation practices can have unintended risk consequences. The Board of Directors will continually review the Company's compensation policies to identify any practice that might encourage an employee to expose the Company to unacceptable risks. Currently, the Board of Directors is satisfied that the current executive compensation program does not encourage the Company's executives to expose the business to inappropriate risk. The Board of Directors takes a conservative approach to executive compensation rewarding individuals for the success of the Company once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the number of options a NEO is entitled to receive is limited by the Option Plan.

NEO Compensation

The following table sets forth the compensation paid by the Company to the Named Executive Officers during the year ended December 31, 2020 and 2019:

Name and Principal Position	Year	Fees ⁽¹⁾ (\$)	Share-based Awards ⁽²⁾ (\$)	Stock Option Awards ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁴⁾ (\$)		Pension Value ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Brad Nichol Chief Executive Officer	2020	40,000	\$Nil	0	0	0	0	\$Nil	\$40,000
	2019	0	\$Nil	0	0	0	0	\$Nil	\$Nil
Nathan Steinke Chief Financial Officer	2020	150,000	\$Nil	0	0	0	0	\$Nil	\$150,000
	2019	0	\$Nil	0	0	0	0	\$Nil	\$Nil
Duncan Mackenzie VP Exploration	2020	175,000	\$Nil	0	0	0	0	\$Nil	\$175,000
	2019	0	\$Nil	0	0	0	0	\$Nil	\$Nil

Notes:

- (1) Represents fees paid to NEOs by the Company for the 11 months ended November 30, 2020, and by the Company for the month of December 2020. Each NEO was appointed to their respective positions with the Company on November 13, 2020.
- (2) The Company did not grant any share-based awards to NEO's during 2019 or 2020.
- (3) The Company has not issued stock options to any of the NEO's above, as of the date of the prospectus.
- (4) The Company does not currently provide for any non-equity incentive plan compensation to NEOs.
- (5) The Company does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of the NEOs.
- (6) The value of perquisites to be received by NEOs during 2019 and 2020, including property or other personal benefits provided to NEOs that are not generally available to all employees, were not (in aggregate) \$50,000 or greater or more than 10% of each NEOs annualized salary for 2019 or 2020, as applicable.

Incentive Plan Awards - Outstanding Options

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to the Named Executive Officers as at the date of December 31, 2020.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
Brad Nichol ⁽¹⁾	0	0	N/A
Nathan Steinke ⁽¹⁾	0	0	N/A
Duncan Mackenzie ⁽¹⁾	0	0	N/A

Note:

- (1) These individuals were appointed on November 13, 2020 and have not been granted Options as of the Date of this prospectus.

Options - Value Vested or Earned

There were no option-based securities issued or outstanding during the year ended December 31, 2020, for NEO's of the Company.

Long-Term Incentive Plans

The Company's only long-term incentive plan is the Option Plan. A maximum of 10% can be reserved for issuance pursuant to the Option Plan. As of December 31, 2020, there were Nil Options issued and outstanding to NEO's above, as of the date of this prospectus.

Termination and Change of Control Benefits

The Company does not have any employment agreements in place with the Named Executive Officers. There are no change of control benefits in place.

Director Compensation

The Company does not pay cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the Directors for services rendered) to the Directors for services rendered as directors only. The Company has paid no other compensation to Directors; however, the Directors may receive reimbursements for out-of-pocket expenses incurred regarding attending Board meetings, audit committee meetings or information meetings.

Director Compensation - Option-Based Awards and Incentive Plan Compensation

As of the Date of this prospectus, Option-Based Awards were issued to the following directors on February 1, 2021. All options are fully vested and are exercisable at \$0.15 for a period of two (2) years expiring on February 1, 2023:

Wes Siemens	700,000
Rod Nichol	400,000
Chris Cooper	400,000

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time during the Company's last completed financial year or as at the date of this prospectus, was any director, executive officer or employee of the Company nor any Associate of any director, executive officer or employee of the Company, or any former director, executive officer or employee of the Company indebted to the Company or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

RISK FACTORS

An investment in our stock involves a high degree of risk. You should carefully consider the following information, together with the other information in this prospectus, before buying shares of our stock. If any of the following risks or uncertainties occur, our business, financial condition, and results of operations could be materially and adversely affected, and the trading price of our stock could decline.

The Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its corporate and technological development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under this prospectus.

The Company is engaged in the acquisition, exploration, and proposed development of helium properties in Canada to address the supply of helium to industry, government, medical and the research communities. Companies in this industry are subject to many and varied kinds of risks and few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company intends to manage such risks to the extent possible and practicable. The risks and uncertainties described in this section are considered by management to be the most important in the context of the business of the Company.

The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to, as other risks may apply.

RISKS RELATED TO THE BUSINESS OF THE COMPANY

The Company is an exploration stage company.

The Company is an exploration stage company. The exploration and development of helium properties is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. The Company has no history of operations and to date has generated no revenue from operations. All the Company's assets are in an early stage of exploration and it does not have a known deposit of commercial helium. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company has not defined or delineated any helium reserves on any of its assets. Helium exploration involves significant risk since few properties that are explored contain commercially economic volumes of helium to produce. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of commercially viable helium reserves. Further, there can be no assurance that even if helium is located, that it can be commercially produced.

The Company has no helium reserves or helium resource estimates on any of its assets.

The Company's assets do not contain any known amounts of commercial quantities of helium. The Company has no helium reserves or contingent resources on any of its properties. There is no certainty that the Company's ongoing exploration efforts will result in the commercial discovery of helium.

The Company has no helium properties in production.

The Company has no operating history and limited historical financial performance. The Company does not currently have any helium properties in production. The future development of any properties assessed to be economically feasible will require the construction and operation of a processing facility and related infrastructure. There is no guarantee that any of the Company's properties will be found to be economically viable. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new helium production operations, including:

- the ability to find sufficient helium reserves to support production operations;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities;
- the availability and cost of skilled labor and equipment;
- the availability and cost of appropriate processing arrangements;
- the timing and cost, which are considerable, of the construction of helium processing facilities;
- the availability of funds to finance construction and development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

The costs, timing and complexities of developing the Company's assets may be greater than anticipated due to the location of some of its property interests, and as a result, some of its properties may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in new projects to experience unexpected costs, problems and delays during construction, development, and start-up. In addition, delays in the early stages of helium production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable helium operations or that it will successfully establish helium operations.

The Company may incur losses for the foreseeable future.

The Company expects to incur losses unless and until such time as the Vermillion Hills property or other properties generate sufficient revenues to fund continuing operations. The exploration and, if warranted, development of the Vermillion Hills area will require the commitment of substantial financial resources that may not be available.

The amount and timing of expenditures will depend on several factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company cannot provide assurance that it will ever achieve profitability.

The Company is dependent on Vermillion Hills.

The only material potential helium property the Company currently has an interest in is the Vermillion Hills area. In the absence of additional material helium properties, the Company will be solely dependent upon Vermillion Hills for its revenue and profits, if any.

Should the exploration and development of Vermillion Hills, as applicable, turn out to be not possible or practicable, for political, engineering, technical, economic or any other reasons, the Company's business and financial position will be significantly and adversely affected.

The Company's current and anticipated future operations, including further exploration and, if warranted, development and commencement of production at Vermillion Hills, requires permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within the Company's control.

The Company cannot provide assurance that all permits that it requires for its operations will be obtainable or renewable on reasonable terms, or at all. In particular, the Company may require environmental assessments under federal and provincial legislation and specific permits and authorizations. Delays or a failure to obtain such required permits, or the expiry, revocation, or failure to comply with the terms of any such permits that have been obtained, would adversely affect its business.

The Vermillion Hills area may be subject to uncertain title.

The Company cannot provide assurance that title to the Vermillion Hills area will not be challenged. The Company may not have, or may not be able to obtain, all necessary surface rights to develop a property. While the Company has performed due diligence with respect to title of its permits and license interests, this should not be construed as a guarantee of title. The Vermillion Hills area may be subject to prior unregistered agreements, transfer or land claims by other parties, and title may be affected by undetected defects.

The Company's rights to its assets are dependent on the Company's ability to meet the obligations under its leases, licenses and permits.

The Company's rights to its assets are subject to various payments and commitments pursuant to the leases, licenses and permits. Any failure by the Company to meet any such payment obligations or otherwise fulfill its commitments could result in the loss of the related property interest. There can be no assurance that funds will be available in the future so that the Company can satisfy these obligations.

RISK RELATED TO THE COMPANY

Market Risks

General economic conditions may adversely affect the Company's growth and profitability.

Significant events in the global financial markets can have had a profound impact on the global economy. Many industries, including the helium industry, are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity pricing, foreign exchange, helium demand and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Specifically:

- degradation of global credit/liquidity could impact the cost and availability of financing and the Company's overall liquidity;
- volatility of helium prices could impact the Company's revenues, profits, losses and cash flow;
- recessionary pressures could adversely impact demand for the Company's production;
- volatile energy, commodity and consumables prices and currency exchange rates could impact the Company's production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of the Company's equity and other securities.

These factors could have a material adverse effect on the Company's financial condition and results of operations.

The global pandemic may adversely affect the Company.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to fully predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations.

The global impact of COVID-19 has resulted in significant declines in global stock markets and has created a great deal of uncertainty as to the health of the global economy in the near future. As a result, resource companies are subject to heightened risks associated with ongoing and future development expenditures and operating costs. These factors may have a negative impact on the Company's ability to raise equity, if required, in the near future or on terms favorable to the Company. Impairment indicators for the Company's helium assets could be increased in future periods due to the global pandemic. The potential financial impact that COVID-19 cannot be reasonably estimated at this time.

Changes in markets and marketing may adversely affect the Company.

The marketability and price of helium that may be acquired, discovered or sold by the Company will be affected by numerous factors beyond its control. The Company's ability to market its helium may depend on a number of factors to deliver helium to commercial markets. The Company may also be affected by deliverability uncertainties related to the proximity of its reserves to markets as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of helium and many other aspects of the helium business.

Helium price volatility may adversely affect the Company's growth and profitability.

The Company's revenues, profitability, future growth and the carrying value of any helium properties that it may hold, provided such properties yield production, are substantially dependent on prevailing prices of helium. Helium prices may be subject to large fluctuations in response to relatively minor changes in the supply of and demand for helium, market uncertainty and a variety of additional factors beyond the control of the Company. These factors include

economic conditions in the United States, Canada and abroad, governmental regulation, the foreign supply of helium, and the price of foreign imports. Any substantial and extended decline in the price of helium would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability, and cash flows from operations. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon helium prices. Volatile helium prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for helium producing properties, as buyers and sellers have difficulty agreeing on such value.

Price volatility also makes it difficult to budget for and to project the return on acquisitions and development and exploitation projects. Currently, the Company has no debt facilities in place. However, any bank borrowings available to the Company in the future will in part be determined by the Company's borrowing base. A sustained material decline in helium prices from historical average prices could reduce the Company's borrowing base, therefore reducing the bank credit available to the Company and require that a portion, or all, of the Company's bank debt, if any, be repaid.

The Company may be negatively impacted by a variation in foreign exchange rates.

The exchange rate between the Canadian dollar and US dollar also affects the profitability of the Company. North American helium prices are quoted in US dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which will fluctuate over time. Material increases in the value of the US dollar may negatively impact the Company's costs of materials, drilling and construction, as well as helium prices. Future Canadian/United States exchange rates could impact the future value of the Company's reserves as determined by independent evaluators and the value of US denominated debt, if any. To the extent that the Company engages in risk management activities related to foreign exchange rates, there is credit risk associated with counterparties with which the Company may contract. The Company assesses its exposure to all relevant foreign currencies.

The Company's common shares may be subject to significant volatility.

The market price of the Company's Common Shares may be volatile and this volatility may affect the ability of Shareholders to sell Common Shares at an advantageous price. Market price fluctuations in the common shares may be due to: the Company's operating results or financial performance failing to meet the expectations of securities analysts or investors in any quarter; downward revision in securities analysts' estimates; governmental regulatory action; an adverse change in general market conditions or economic trends; acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. In addition, the market price for securities in stock markets including Common Shares may experience significant price and trading fluctuations. These fluctuations may result in volatility in the market prices of securities that may be unrelated or disproportionate to changes in the Company's operating and financial performance.

Future sales by the shareholders of the Company's shares could cause the Company's share price to fall.

Future sales of the Company's shares by large shareholders or other shareholders could decrease the value of the Company's shares. The Company cannot predict the size of future sales by its shareholders, or the effect, if any, that such sales will have on the market price of the Company. Sales of a substantial number of the Company's shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Company's shares.

The Company does not intend to pay any cash dividends in the foreseeable future.

The Company has not declared or paid any dividends on its shares. The Company intends to retain future earnings, if any, to finance the growth and development of its business and does not intend to pay cash dividends on its shares in the foreseeable future. Any return on an investment in the Company's shares will come from the appreciation, if any, in the value of the shares. The payment of future cash dividends, if any, will be reviewed periodically by the Company's Board and will depend upon several factors such as earnings, financial condition and capital requirements, restrictions in financing agreements, new business opportunities and other factors.

Financial Risks

The Company will require additional funding requirements.

From time to time, the Company may require additional financing in order to carry out helium acquisition, exploration, and development activities. The Company's cash flow from its helium reserves, once developed, may not be sufficient to fund its ongoing activities at all times. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations.

If the Company's revenues from its reserves, once developed, decrease as a result of lower helium prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. If cash flow from operations is not sufficient for the Company to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to the Company.

The Company may receive a going concern opinion from our auditors.

The company may receive a "Going Concern" opinion from our auditors. The ability of the Company to continue as a Going Concern is dependent on the Company's ability to raise additional capital and implement its business plan.

Future sales or issuances of equity securities could decrease the value of any existing Company securities, dilute investors' voting power and reduce the Company's earnings per share.

The Company may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into shares of the Company) and may issue additional equity securities to finance its operations, exploration, development, acquisitions, or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Company's shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Company. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per share.

The Company may issue debt to meet its growth objectives.

Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. In the early stages of growth, the Company may have difficulty accessing debt needed to acquire and develop helium properties. This may result in the inability of the Company to complete certain acquisitions or drilling activities. Future acquisitions may be financed partially or wholly with debt, which may increase debt levels above industry standards. Neither the Company's articles nor its by-laws limit the amount of indebtedness that it may incur. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

An increase in interest rates may impact the ability of the Company to service its debt.

The Company may finance a portion of its operations through debt. Amounts paid in respect of interest and principal on debt may impair the Company's ability to satisfy its other obligations. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service before payment by the Company of its debt obligations. Lenders may be provided with security over substantially all of the assets of the Company and its Subsidiaries. If the Company becomes unable to pay its debt service charges or otherwise commits an event of default such as bankruptcy, a lender may be able to foreclose on or sell the assets of the Company and/or its Subsidiaries.

Hedging may adversely impact the Company's performance.

From time to time the Company may enter into agreements to receive fixed prices of its helium production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases and may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. Similarly, from time to time the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Company will not benefit from the fluctuating exchange rate.

The Company may be exposed to third party credit risk.

The Company may be exposed to third party credit risk through its contractual arrangements with current or future joint venture partners, marketers of its helium production and other parties. In the event such entities fail to meet their contractual obligations, such failures could have a material adverse effect on the Company and its cash flow from operations.

Operational Risks

The Company has significant operational risks.

Helium operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company will depend on its ability to find, acquire, develop, and commercially produce helium reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any time and the production therefrom will decline over time as such existing reserves are exploited and depleted. A future increase in the Company's reserves will depend not only on its ability to explore and develop any properties it may have, but also on its ability to select and acquire suitable producing properties or prospects. Future helium exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after all investments are made. Completion of a well does not assure a profit on the investment or recovery of drilling, completion, and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-in of wells as a result of extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of helium will be discovered or acquired by the Company.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, natural declines as reserves are depleted and production or sales delays cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. Helium exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, sour gas releases and spills, each of which could result in substantial damage to helium wells, production facilities, other property, the environment or in personal injury. In accordance with industry practice, the Company will not be fully insured against all these risks, nor are all such risks insurable. Although the Company will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

The Company has no history of helium operations.

The Company does not have a history of helium operations and there is no assurance that it will produce revenue, operate profitably, or provide a return on investment in the future.

The Company's performance may be adversely affected by production declines or interruption.

The Company's financial performance, financial position, and cash flows are affected by the Company's helium production levels. Helium production is also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. There is uncertainty regarding the sustainability of initial production rates and decline rates thereafter.

Production levels may decline at rates greater than anticipated due to unforeseen circumstances, many of which are beyond the Company's control. Production levels may decline due to an inability for the Company to market our helium production. This could result from the availability, proximity, and capacity of gathering systems, pipelines and processing facilities that the Company depends on in the jurisdictions in which it operates. Business interruption insurance may be purchased for selected operations, to the extent that such insurance is commercially viable.

Increases in operating costs could negatively impact the Company's financial performance.

The Company's financial performance, financial position, and cash flows are affected by the Company's operating costs. Operating costs may increase due to unforeseen circumstances, many of which are beyond the Company's control. Operating costs could increase as a result of environmental damage, unforeseen circumstances related to climate-change, and other unexpected conditions which could result from a number of operating and natural hazards associated with the Company's operations. There are also risks and uncertainty regarding the Company's ability to address technical drilling challenges and manage water production. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity, and financial condition. In addition to higher costs, the Company may have a potential liability to regulators and third parties as a result. The Company maintains liability insurance, where available, in amounts consistent with industry standards. The Company may become liable for damages arising from such events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

Transportation disruptions or increases in transportation costs could adversely affect profitability.

Disruption in or increased costs of transportation services could make the Company's helium less competitive than other sources. The industry depends on rail, trucking, ocean-going vessels, pipelines, facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying helium. Disruptions of these transportation services because of weather related problems, strikes, lockouts, terrorist activities, delays or other events could temporarily impair the ability to supply helium to customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for helium produced by competitors, could adversely affect profitability. To the extent such increases are sustained, the Company could experience losses and may decide to discontinue certain operations forcing the Company to incur closure and/or care and maintenance costs. Additionally, lack of access to transportation may hinder the expansion of production at some of the Company's properties and the Company may be required to use more expensive transportation alternatives.

The Company's operations may be impacted by adverse weather conditions.

The Company's operations may be impacted by changing or extreme weather conditions, which may include extreme hot or cold temperatures, changes in precipitation patterns (including drought and flooding), extreme snowfall and freezing rain, lightning, and extreme weather events such as hurricanes and tornadoes. These events can impact the Company's operations and customers, causing shutdowns and increased costs.

The Company relies on existing and new technology to be successful.

The Company mitigates its risk related to production through the utilization of current technology and information systems. The helium industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. There can be no certainty that existing or new technologies will fully achieve the design capacity or specifications once employed. Other helium companies may have greater financial, technical and personnel resources that provide them with technological advantages and may in the future

allow them to implement new technologies before the Company does. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete.

Asset title cannot be guaranteed.

It is often not possible to conclusively determine title to helium interests without incurring substantial expense. While it is the practice of the Company, in acquiring significant helium leases or interest in helium leases to fully examine the title to the interest under the lease, this should not be construed as a guarantee of title. There may be title defects that affect lands comprising a portion of the Company's properties. To the extent title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate, and interest in and to the properties to which the title relates.

Permits, licenses and leases may expire or terminate.

The Company's properties will be held in the form of permits, licenses and leases and working interests in permits, licenses, and leases. If the Company or the holder of the permit, license or lease fails to meet the specific requirement of a permit, license or lease, the permit, license, or lease may terminate or expire (excluding those which may be voluntarily relinquished by the Company). While the Company monitors the status and expiry of all its current licenses and leases, there can be no assurance that any of the obligations required to maintain such licenses or leases will be met. The termination or expiration of any of its licenses or leases or the working interests relating to a license or lease may have a material adverse effect on the Company's results of operations and business. To the extent such permits, licenses and leases are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned exploration, development, or operation of its projects. Failure to comply with permitting and legal requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions which could have an adverse effect on the Company's business, financial condition, or operations.

The Company requires specialized skill and knowledge.

Exploration, development, production, and operational activities such as those the Company is engaged in require specialized skills and knowledge in the areas of geology, geophysics, drilling, completions, operations, and engineering. In addition, specific knowledge and expertise relating to local laws (including regulations relating to land tenure, exploration, development, production, marketing, transportation, the environment, royalties, and taxation) and market conditions is required and must compete with other domestic and international entities.

Access and availability of drilling and other equipment is critical to the Company's success.

Helium exploration and development activities are dependent on the availability of drilling and other related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities. To the extent it is not the operator of its helium properties, the Company will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

The Company may be subject to operator performance issues and payment delays.

The Company strives to operate its prospects, thereby maintaining operational control. When the Company does not operate, it relies on its partners in jointly owned properties to maintain operational control. Continuing production from a property is dependent upon the ability of the operator of the property, and the operator may fail to perform these functions properly. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues if the operator becomes insolvent. In addition to the usual delays in payment by purchasers of helium to the operators of the properties, and by the operator to the Company, payments

between any of such parties may also be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of expenses incurred in the operation of the properties or the establishment by the operator of reserves for such expenses.

Acquisitions and Expansion

The Company requires substantial capital to achieve its growth plans.

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development, and production of helium reserves in the future. If its revenues or helium reserves decline, it may have limited ability to acquire or expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The potential inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

The Company may fail to realize anticipated benefits of acquisitions and dispositions.

The Company intends to make acquisitions and dispositions of businesses and assets in the ordinary course of business. When making acquisitions the Company is required to estimate the future performance of the assets to be acquired. These estimates are subject to inherent risks associated with predicting the future performance of those assets. As such, assets acquired may not possess the value attributed to them at the time of acquisition.

Achieving the benefits of acquisitions may depend on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company.

The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. In the case where the acquired businesses are non-operated, the Company will need to rely on the operator to achieve the foregoing benefits and the Company's ability to influence the operator's activities in this regard. Management will need to continually assesses the value and contribution of services provided and assets required to provide such services. Accordingly, non-core assets may need to be periodically disposed of, so that the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Company resulting in a loss.

Intense competition may adversely affect the Company.

Helium exploration is intensely competitive in all its phases and involves a high degree of uncertainty with respect to the impact of such competition. The Company will compete with numerous other participants in the search for, and the acquisition of, helium properties and in the marketing of helium. Competitors include companies that have substantially greater financial resources, staff, and facilities than those of the Company. The Company's ability to increase reserves in the future will depend not only on its ability to explore and develop any properties it has at any time, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of helium include price and methods and reliability of delivery. The Company may also be subject to competition from the natural gas industry.

Growth-related risks could have a material adverse impact.

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The potential inability of the Company to deal with this growth could have a material adverse impact on its business, operations, and prospects.

Regulatory and Political Risks

There are numerous risks related to government rules and regulations.

The Company's operations are governed by many levels of governments in which jurisdiction the Company operates. The Company is subject to laws and regulations regarding environment, health and safety, lease interests, taxes, and royalties, among others. Failure to comply with the applicable laws can result in significant increases in costs, penalties and even losses of operating licenses. The regulatory process involved in each province, state, and country in which the Company operates is not uniform and regulatory regimes vary as to complexity, timeliness of access to, and response from, regulatory bodies and other matters specific to each jurisdiction. If regulatory approvals or permits are delayed, not obtained, or revoked, there can also be delays or abandonment of projects, decreases in production and increases in costs, and the Company may not be able to fully execute its strategy. Governments may also amend or create new legislation and regulatory bodies may also amend regulations or impose additional requirements which could result in reduced production and increased capital, operating and compliance costs.

In addition, there is a risk of direct government intervention in respect of laws and regulations that can affect the property rights and title to the Company's assets. Such intervention can extend, in certain jurisdictions, to nationalization, expropriation or other actions that effectively deprive companies of their assets.

Current legislation is generally a matter of public record and the Company cannot predict what additional legislation or amendments may be proposed that will affect the Company's operations or when any such proposals, if enacted, might become effective. There is no certainty in obtaining government approvals. Changes in government policy or laws and regulations could adversely affect the Company's results of operations and financial condition. Failure to comply with applicable laws, regulations and legal requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions which could have an adverse effect on the Company's business, financial condition, or operations.

There is no guarantee to title or borders.

The acquisition of the right to exploit helium properties is a very detailed and a time-consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or helium properties may be challenged or impugned by any number of groups or persons, including without limitation First Nations groups and local groups, and title insurance is generally not available. The Company's surface, rights or leases may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

Changes in tax and royalty rates could materially change the Company's financial position and statements.

Changes in tax and royalty rates in the jurisdictions that we operate would impact the amount of current taxes and royalties that we pay. In addition, changes to substantively enacted tax rates would impact the carrying balance of deferred tax assets and liabilities, potentially resulting in a deferred tax recovery or incremental deferred tax expense.

Environmental Risks

The Company is subject to several environmental risks and hazards.

All phases of the helium business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, state, and local laws and regulations in Canada, the United States and any foreign jurisdictions where the Company may operate. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with helium operations. Compliance with environmental legislation regarding the production of helium can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants

into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Changes in environmental legislation may adversely affect the Company.

The helium industry is subject to environmental regulation pursuant to local, provincial, state and federal legislation. A breach of such legislation may result in the imposition of fines, the issuance of clean up orders in respect of the Company or its assets, or the loss or suspension of regulatory approvals. Such legislation may include carbon taxes, enhanced emissions reporting obligations, mandates on equipment specifications, and emissions regulations. Such legislation may be changed to impose higher standards and potentially more costly obligations on the Company. In addition, such legislation may inhibit the Company's ability to operate the Company's assets and may make it more difficult for the Company to compete in the acquisition of new property rights. Presently, the Company does not believe the financial impact of these regulations on capital expenditures and earnings will be material. However, the Company actively monitors and assesses its exposure to this legislation.

Abandonment and land reclamation requirements of the Company's properties may be burdensome.

The Company expects to incur abandonment and reclamation costs in the ordinary course of business as existing helium properties are abandoned and reclaimed. These costs may materially differ from the Company's estimates due to changes in environmental regulations. Land reclamation requirements are generally imposed on companies to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance landforms and vegetation.

To carry out reclamation obligations imposed on the Company in connection with exploration and potential development and production activities, the Company must allocate financial resources, including funds required to post reclamation bonds, that might otherwise be spent on further exploration and development programs. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Hydraulic fracturing regulations and perceptions may affect the Company's business.

Hydraulic fracturing involves the injection of water, sand, and additives under pressure into rock formations to potentially increase helium production. Hydraulic fracturing may be used to produce commercial quantities of helium from reservoirs that were previously unproductive.

Hydraulic fracturing has featured prominently in recent political, media and activist commentary on the subject of water usage and environmental damage. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase the Company's costs of compliance and doing business as well as delay the development of helium resources, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of helium that the Company is ultimately able to produce from its reserves, as well as increase costs.

With activist groups expressing concern about the impact of hydraulic fracturing on the environment and water supplies, the Company's corporate reputation may be negatively affected by the negative public perception and public protests against hydraulic fracturing. In addition, concerns regarding hydraulic fracturing may result in changes in regulations that delay the development of helium resources and adversely affect the Company's costs of compliance and reputation. Changes in government may result in new or enhanced regulatory burdens in respect of hydraulic fracturing which could affect the Company's business.

Climate change and policy may negatively affect our business.

Our helium exploration and production facilities and other operations and activities may emit some greenhouse gasses ("GHG") which may require us to comply with federal and/or provincial or state GHG emissions legislation. Climate change policy is evolving at the regional, national, and international level, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate our effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on our business, financial condition, results of operations and prospects. Some of our significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. This may result in a requirement to reduce emissions or emissions intensity and it is possible that future regulations may require further reductions of emissions or emissions intensity. In addition, climate change has been linked to long-term shifts in climate patterns and extreme weather conditions both of which pose the risk of causing operational difficulties.

Policy changes could include implementing carbon-pricing mechanisms to reduce GHG emissions, shifting energy efficient solutions, and promoting more sustainable land-use practices. The risks and financial impact of policy changes depend on the nature and timing of the policy change. The Company may be exposed to increased litigation risk relating to climate change. Some of these claims include the failure of organizations to mitigate the impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks. As the value of loss and damage arising from climate change increases, litigation risk will also grow.

The Company could be subject to environmental lawsuits.

Neighboring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by the release of hazardous substances or other waste material into the environment on the Company's surface leases. There can be no assurance that the Company's defense of such claims will be successful. A successful claim against the Company could have a material adverse effect on its business prospects, financial condition, results of operation and the price of the Company's securities.

Reserves and Resource Estimates

The quantity and value of future reserve estimates may vary significantly.

The value of recoverable reserves is based on several variable factors and assumptions such as commodity prices, projected production, future production costs and government regulations. Such estimates may vary from actual results. Reserves and estimated future net revenue to be derived from reserves are estimates. The estimation of reserves is a complex process and requires significant judgment. Actual production and ultimate reserves will vary from those estimates and these variations may be material. Assumptions incorporated into the estimation of reserves are based on information available when the estimate was prepared. These assumptions are subject to change and many are beyond the Company's control. These assumptions include initial production rates; production decline rates; ultimate recovery of reserves; timing and amount of capital expenditures; access to capital, marketability of production; future prices of helium; operating costs; well abandonment costs; royalties, taxes, and other government levies that may be imposed over the producing life of the reserves.

In addition, estimates of reserves that may be developed and produced in the future are often based on methods other than actual production history, including volumetric calculations, probabilistic methods, and upon analogy to similar types of reserves. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves. As such, reserve estimates may require revision based on actual production history. The present value of estimated future net revenue should not be construed as the fair market value of estimated helium reserves attributable to the Company's properties. The estimated discounted future revenue from reserves is based upon price and cost estimates which may vary from actual prices and costs and such variance could be material. Actual future net revenue will also be affected by factors such as the amount and timing of actual production, supply and demand for helium, curtailments or increases in consumption by purchasers and changes in governmental regulations and taxation.

The estimated quantity and value of contingent and prospective resource may vary significantly.

Information regarding the quantity and value of contingent and prospective resources are estimates only. References to “contingent resources” and “prospective resources” do not constitute, and should be distinguished from, references to “reserves”. The same uncertainties inherent in estimating reserves apply to estimating contingent resources. In addition, there are contingencies that prevent resources from being classified as reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent resources due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. Actual results may vary significantly from these estimates and such variances may be material.

Other Risks

Risk management may not reduce or eliminate all potential risks.

Helium exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company will strive to manage such risks to the extent possible and practical. The Company's geological focus is on areas in which the prospects are well understood by management of the Company. Technological tools are regularly used to reduce risk and increase the probability of success. Maintaining a highly motivated and talented staff of helium professionals further minimizes the business risk.

The Company is reliant on key personnel.

The success of the Company will depend in large measure on certain key personnel including employees, consultants, management, directors, and officers. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not have key person insurance in effect for members of management. The competition for qualified personnel in the helium industry in Canada, the United States and internationally is intense and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business. The Company's shareholders must rely upon the ability, expertise, judgment, discretion, integrity, and good faith of the management of the Company.

There is no guarantee that Company insurance will cover the full extent of risks and liabilities.

The Company's involvement in the exploration for and development of helium properties may result in it becoming subject to liability for pollution, blow-outs, property damage, personal injury, or other hazards. Although prior to drilling the Company will obtain insurance in accordance with industry standards to address these 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.

Some risks are uninsurable or may not be insured.

Exploration, development, and production operations on helium properties involve numerous risks, including unexpected or unusual risks including fires, floods, earthquakes, and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's securities.

Certain of the directors and officers of the Company may have conflicts of interest because of their involvement with other companies.

Certain of the proposed directors and officers of the Company also serve as directors or officers or may have significant shareholdings in other companies involved in helium or natural resource exploration and development or similar activities. To the extent that such other companies may participate in ventures in which the Company may participate in, or in ventures which the Company may seek to participate in, its directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where the Company's directors and officers have an interest in other companies, such other companies may also compete with the Company for the acquisition of helium property investments. Such conflicts of the directors and officers may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. As a result of these conflicts of interest, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on its financial position. Directors and officers with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules, and policies.

The Company could be affected by cyber security breaches or electronic system failure.

The company manages cyber security risk by ensuring appropriate technologies, processes and practices are effectively designed and implemented to help prevent, detect, and respond to threats as they emerge and evolve. The primary risks to the Company include loss of data, destruction or corruption of data, compromising of confidential customer or employee information, leaked information, disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and damage to the Company's reputation. The Company relies upon a variety of advanced controls as protection from such attacks including firewall infrastructure, secure network architecture and anti-malware defense systems to protect against network intrusion, malware infection and data loss.

As it is difficult to quantify the significance of such events, cyber-attacks such as security breaches of company, customer, employee, and vendor information, as well as hardware or software corruption, failure or error, telecommunications system failure, service provider error, intentional or unintentional personnel actions, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data, may in certain circumstances be material and could have an adverse effect on the Company's business, financial condition and results of operations. As a result of the unpredictability of the timing, nature and scope of disruptions from such attacks, the Company could potentially be subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of its systems and networks or financial losses, any of which could have a material adverse effect on the Company's competitive position, financial condition or results of operations.

Compliance with accounting standards may require the Company to make accounting adjustments.

The presentation of financial information in accordance with IFRS requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the Company's financial statements. The accounting policies may result in non-cash charges to net income and write-downs of net assets in the financial statements and such adjustments may be viewed unfavorably by the market and may result in an inability to borrow funds or a decline in price of Common Shares.

The Company could be negatively impacted by a breach of internal procedures and controls.

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken and will undertake several procedures to help ensure the reliability of its financial reports, including those that may be imposed on the Company under Canadian Securities Laws and applicable U.S. federal and state securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations, or cause the Company to fail to meet its reporting obligations. Additionally, implementing and monitoring effective internal controls can be costly. If the Company or its independent auditors discover a material weakness, the

disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and may result in a decline in the price of Common Shares.

The Company could be materially impacted by political events or terrorist attacks.

Political events throughout the world that cause disruptions may affect the marketability and price of helium acquired, discovered, or produced by the Company. The Company's helium properties, wells and facilities could be subject to a terrorist attack. If any of the Company's properties, wells or facilities or any infrastructure on which the Company relies are the subject of a terrorist attack, such attack may have a material adverse effect on the Company's financial performance, financial position, and cash flows.

The Company could be subjected to litigation.

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. Given the speculative and unpredictable nature of litigation, the outcome of such disputes could have a material adverse effect on the Company.

PROMOTER

No person or company has acted as a promoter of the Company within the two years immediately preceding the date of the prospectus.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time to time, we may become subject to various legal proceedings that are incidental to the ordinary conduct of its business. Although we cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, it makes provision for potential liabilities when it deems them probable and reasonably estimable. These provisions are based on current information and may be adjusted from time to time according to developments.

We know of no material, existing or pending legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any director, officer, or any affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below and disclosed in this prospectus, no director, executive officer or principal shareholder of the Company, or an associate or affiliate of a director, executive officer, or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this prospectus, or in any proposed transaction that has materially affected or will materially affect the Company.

Review and Approval of Related Person Transactions

We have operated under a Code of Conduct since inception. Our Code of Conduct requires all employees, key consultants, officers, and directors, without exception, to avoid the engagement in activities or relationships that conflict, or would be perceived to conflict, with the Company's interests or adversely affect its reputation. It is understood, however, that certain relationships or transactions may arise that would be deemed acceptable and appropriate upon full disclosure of the transaction, following review and approval to ensure there is a legitimate business reason for the transaction and that the terms of the transaction are no less favorable to the Company than could be obtained from an unrelated person.

The Audit Committee is responsible for reviewing and approving all transactions with related persons. The Company has not adopted a written policy for reviewing related person transactions. The Company reviews all relationships and

transactions in which the Company and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. As required under applicable rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed.

Director Independence

The Board has affirmatively determined that Rod Nichol and Chris Cooper are independent as of December 31, 2020. For purposes of making that determination, the Board used the definition set out in National Instrument 52-110 – *Audit Committees*.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The Company's auditors are RSM Alberta LLP, at their offices located at 1400, 777-8th Avenue SW, Calgary AB, T2P 3R5.

Transfer Agent and Registrar

The transfer agent and registrar for the Company's Common Shares is Odyssey Trust Company located at 1230, 300 - 5th Avenue SW, Calgary AB, T2P 3C4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company and/or its subsidiaries within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Purchase and Sale Agreement dated November 30, 2020, between Yellow Line Helium Limited Partnership and Global Helium Corp. See "*Corporate Structure – History*".
2. Transfer Agent and Registrar Agreement with Odyssey Trust Company dated ●, 2021.

Copies of all material contracts and reports referred to in this prospectus may be inspected at the office of TingleMerrett LLP, 1250, 639 – 5 Avenue SW, Calgary, Alberta, during normal business hours, as well as under the Company's SEDAR profile at www.sedar.com.

INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement, or opinion and who is named as having prepared or certified a part of this prospectus or as having prepared or certified a report or valuation described or included in this prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any Associate or Affiliate of the Company.

OTHER MATERIAL FACTS

Other than as set out elsewhere in this prospectus, there are no other material facts about the Company and its securities which are necessary in order for this prospectus to contain full, true, and plain disclosure of all material facts relating to the Company and its securities.

FINANCIAL STATEMENTS

Immediately following the acquisition of the assets of YLH LP on November 30, 2020, the Company was owned by the same group as YLH LP, and this transaction was considered a corporate reorganization for accounting purposes.

Since the transaction represented a continuity of interests from YLH LP to the Company, the Company included the results of operations of the Company and YLH LP from YLH LP's inception, being January 1, 2019. Therefore, the financial statements and the MD&A includes the historic financial position, results of operations and cash flows of YLH LP, from January 1, 2019 to November 30, 2020. Attached to and forming a part of this prospectus are the following financial statements:

1. Statement of Financial Position, Statement of Loss and Comprehensive Loss, Statement of Change in Shareholders' Deficit and Statement of Cash Flows for the years ended December 31, 2020 and 2019.

SCHEDULE “A”

**FINANCIAL STATEMENTS AND MANAGEMENT’S DISCUSSION & ANALYSIS
OF GLOBAL HELIUM CORP.**



Global Helium Corp.

Financial Statements

For the Years-Ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Helium Corp.

Opinion

We have audited the financial statements of Global Helium Corp., (the "Company"), which comprise the statement of financial position as at December 31, 2020 and 2019 and the statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its 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 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 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 financial statements, which indicates that the Company has a working capital deficiency of \$1,063,535 as at December 30, 2020 and an accumulated deficit of \$942,660. 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.

Other Information

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

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

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

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Chartered Professional Accountants

●, 2021

Calgary, Alberta

Global Helium Corp.

Balance Sheets

(Expressed in Canadian dollars)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash		\$ 277,834	\$ 156,694
Amounts receivable	5,13	39,683	5,014
Prepays		3,090	5,120
Total current assets		320,607	166,828
Non-current assets			
Exploration and evaluation assets	6	120,975	4,839
TOTAL ASSETS		\$ 441,582	\$ 171,667
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 61,142	\$ 162,761
Promissory notes	8	1,323,000	269,000
Total current liabilities		1,384,142	431,761
SHAREHOLDERS' DEFICIT			
Share capital	11	100	100
Accumulated deficit		(942,660)	(260,194)
TOTAL SHAREHOLDERS' DEFICIT		(942,560)	(260,094)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		\$ 441,582	\$ 171,667

Nature and continuance of operations and going concern - Note 1

Subsequent events – Note 16

Approved by the Board of Directors

_____, Director

"Brad Nichol"

_____, Director

"Wes Siemens"

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

Global Helium Corp.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Year-ended December 31, 2020	Year-ended December 31, 2019
Expenses		
Exploration and evaluation expenditures (note 6)	\$ -	\$ 49,955
Foreign exchange	15,018	6,016
General and administrative	65,917	76,679
Management fees	505,000	-
Professional fees	75,961	46,035
Software licensing	20,570	81,509
Loss and comprehensive loss	\$ 682,466	\$ 260,194

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

Global Helium Corp.

Statements of Changes in Shareholders' Deficit

(Expressed in Canadian dollars)

	Share Capital (Note 11)	Deficit	Total Shareholders' Deficit
Balance – January 1, 2019	\$ -	\$ -	\$ -
Issuance of equity	100	-	100
Loss for the year	-	(260,194)	(260,194)
Balance – December 31, 2019	\$ 100	\$ (260,194)	\$ (260,094)
Loss for the year	-	(682,466)	(682,466)
Balance – December 31, 2020	\$ 100	\$ (942,660)	\$ (942,560)

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

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

	Notes	Year-ended December 31, 2020	Year-ended December 31, 2019
Operating activities			
Loss for the year		\$ (682,466)	\$ (260,194)
Change in non-cash working capital items:			
Amounts receivable		(34,669)	(5,014)
Prepays		2,030	(5,120)
Accounts payable and accrued liabilities		(101,619)	162,761
Net cash used in operating activities		(816,724)	(107,567)
Investing activities			
Exploration and evaluation expenditures	6	(116,136)	(4,839)
Net cash used in investing activities		(116,136)	(4,839)
Financing activities			
Proceeds from equity issuances	11	-	100
Proceeds from promissory note	8	1,054,000	269,000
Net cash from financing activities		1,054,000	269,100
Change in cash		121,140	156,694
Cash, beginning of the year		156,694	-
Cash, end of year		\$ 277,834	\$ 156,694

Supplemental disclosure with respect to cash flows - Note 15

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

Global Helium Corp.

Notes to the financial statements

Years-ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

1. Nature, continuance of operations, and going concern

Global Helium Corp. (the “Company”) is a development stage company incorporated in Canada on November 13, 2020, focused on the 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 financial statements were authorized for issue on ●, 2021 by the Board of Directors of the Company. On ●, 2021, the Company received approval for a listing on the Canadian Securities Exchange (“CSE”) under symbol “HECO”. Listing and posting of the Company’s common shares for trading on the CSE is expected on XX, 2021 (the “Listing Date”).

On November 30, 2020, the Company acquired 100% of the assets of Yellow Line Helium Limited Partnership (“YLH LP”) in exchange for 20,000 common shares, 20,000 common share purchase warrants and the assumption of YLH LP’s debt. YLH LP held helium exploration permits in the province of Saskatchewan that are prospective for helium reserves. Subsequent to this transaction, the net assets of YLH LP, being 100% of the shares and warrants in the Company, were distributed to the partners and YLH LP was immediately dissolved. Immediately following this acquisition, the Company was owned by the same group as YLH LP and this transaction is considered a corporate reorganization. Since the transaction represents a continuity of interests from YLH LP to the Company, the Company has included the results of operations of the Company and YLH LP from YLH LP’s inception, being January 1, 2019. Therefore, these financial statements include the historic financial position, results of operations and cash flows of YLH LP, from January 1, 2019 to November 30, 2020 (Note 4).

These 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 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.

At December 31, 2020, the Company had a working capital deficit of \$1,063,535 and has an accumulated deficit of \$942,660 since inception. The Company has not yet reached production from its exploration activities. As outlined in note 16, subsequent to December 31, 2020, the Company raised equity and converted the promissory notes to equity, resulting in a stronger financial position for the Company going forward.

The global impact of COVID-19 has resulted in significant declines in global stock markets and has created a great deal of uncertainty as to the health of the global economy in the near future. As a result, resource companies are subject to heightened risks associated with ongoing and future development expenditures and operating costs. These factors may have a negative impact on the Company’s ability to raise equity, if required, in the near future or on terms favorable to the Company. Impairment indicators for the Company’s helium assets could be increased in future periods due to the global pandemic. The potential financial impact that COVID-19 cannot be reasonably estimated at this time.

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 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. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Global Helium Corp.

Notes to the financial statements

Years-ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

(b) Basis of measurement

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

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

The preparation of 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 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 reserves 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 assessment that there are currently no decommissioning liabilities associated with the Company's operations;

(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, plant 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 knowledgeably, 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) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(f) Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit and loss for the year.

Global Helium Corp.

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(Expressed in Canadian dollars)

(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. If economically recoverable reserves are determined to exist, capitalized costs of the related property will be reclassified as helium assets and amortized using the unit of production method. 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 reserves, 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.

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 development assets in property, plant and equipment. The carrying value of the property is tested for impairment before the expenditures are transferred to property, plant and equipment. General and administrative costs are expensed as incurred.

(h) 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 is there is a lease modification.

Global Helium Corp.

Notes to the financial statements

Years-ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

(i) 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.

(j) Share-based payments

The Company may make periodic grants of stock options to selected directors, officers, 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 statement of loss and comprehensive loss with a corresponding entry to contributed surplus. No expense is recognized for awards that do not ultimately vest.

(k) 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 residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

(l) 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.

(m) 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 statement of income. The Company does not currently have any financial assets or liabilities classified as 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, accounts payable and accrued liabilities, and promissory notes 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 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.

(n) 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.

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(Expressed in Canadian dollars)

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.

3. Accounting standards adopted in 2020

IFRS 3 – Business Combinations was adopted by the Company on January 1, 2020 but had no effect on the Company's financial statements:

IFRS 3 – *Business Combinations* sets out the principles in accounting for the acquisition of a business. The amendments to this standard, effective for annual periods beginning on or after January 1, 2020, include a change in the definition of a business and the addition of an optional concentration test to determine if the acquisition is a business.

The definition of a business under the amendment is now that a business at a minimum consists of an input and a substantive process that together significantly contribute to the ability to create output.

The optional concentration test permits a simplified assessment of whether an acquired set of activities and assets is in fact a business. An entity may elect to apply, or not apply, the test. An entity may make such an election separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

4. Corporate Reorganization

On November 30, 2020, the Company acquired 100% of the assets of Yellow Line Helium Limited Partnership ("YLH LP") in exchange for 20,000 common shares, 20,000 common share purchase warrants and the assumption of YLH LP's debt. YLH LP held helium exploration permits in the province of Saskatchewan that are prospective for helium reserves. Subsequent to this transaction, the net assets of YLH LP, being 100% of the shares and warrants in the Company, were distributed to the partners and YLH LP was immediately dissolved. Immediately following this acquisition, the Company was owned by the same group as YLH LP and this transaction is considered a corporate reorganization. Since the transaction represents a continuity of interests from YLH LP to the Company, the Company has included the results of operations of the Company and YLH LP from YLH LP's inception, being January 1, 2019. Therefore, these financial statements include the historic financial position, results of operations and cash flows of YLH LP, from January 1, 2019 to November 30, 2020.

The following table summarizes the carrying value of the amounts transferred on November 30, 2020 to the Company:

Cash	\$	402,002
Amounts receivable		31,451
Prepaid		4,635
Exploration and evaluation assets		120,540
Accounts payable and accrued liabilities		(34,395)
Promissory notes payable		(1,323,000)
Share capital		(100)
Deficit ⁽¹⁾	\$	798,867

⁽¹⁾ This historical deficit from YLH LP has been reflected in these financial statements in the statements of loss for 2019 and 2020.

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5. Amounts receivable

The amounts receivable represents GST input tax credits recoverable from the Canadian government.

6. Exploration and evaluation assets

	December 31, 2020	December 31, 2019
Balance, beginning of the year	\$ 4,839	\$ -
Additions	116,136	4,839
Balance, end of the year	\$ 120,975	\$ 4,839

The Company holds two helium exploration permits over certain lands in Saskatchewan. The Company is required to make annual lease maintenance expenditures of approximately the following: 2021 - \$8,600, 2022 - \$18,000 and 2023 - \$18,000. The Company is also required to make qualifying annual permit expenditures as follows: 2020 - \$36,000, 2021 - \$36,000, 2022 - \$72,000, 2023 - \$108,000 and 2024 - \$108,000. Should the Company not meet the above requirements, the permits would lapse and the Company would lose the right to explore on the applicable lands.

In 2020, the Company was granted an extension of one year by the Saskatchewan government to incur the 2020 qualifying annual permit expenditures. As of December 31, 2020, The Company had incurred approximately \$32,000 of \$38,000 and \$Nil of \$34,000 of qualifying expenditures on its two helium permits related to the above 2020 and 2021 annual permit expenditure requirements.

In 2019, \$49,955 in exploration and evaluation expenditures were expensed as they were incurred prior to the Company having the legal right to explore.

7. Accounts payable and accrued liabilities

	December 31, 2020	December 31, 2019
Accounts payable	\$ 61,142	\$ 106,710
Accrued liabilities	-	56,051
Total	\$ 61,142	\$ 162,761

8. Promissory notes

During 2019, the Company received \$269,000 in exchange for a promissory note payable which is due on demand, is unsecured and bears no interest. The note is due to a company related by virtue of common ownership, management and directors.

During 2020, the Company received an additional \$1,054,000 in exchange for a promissory note payable which is due on demand, is unsecured and bears no interest. The note is due to a company related by virtue of common ownership, management and directors.

These promissory notes were converted to equity subsequent to December 31, 2020. See "Subsequent Events" – note 16.

9. Short term lease expense

The amount expensed and included in general and administrative expenses in the income statement, during the year-ended December 31, 2020, relating to short-term leases was \$9,000 (2019 - \$14,766).

Global Helium Corp.

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10. Related party transactions

Related party transactions and key management compensation

- i. For the year-ended December 31, 2020, the Company incurred \$40,000 of chief executive officer consulting fees (2019 - \$Nil) from a private company in which a director and officer is the private company's principal shareholder. These fees are included in management fees in the statement of loss.
- ii. For the year-ended December 31, 2020, the Company incurred \$150,000 of chief financial officer consulting fees (2019 - \$Nil) from an officer of the Company. These fees are included in management fees in the statement of loss.
- iii. For the year-ended December 31, 2020, the Company incurred \$175,000 of vice-president of exploration consulting fees (2019 - \$Nil) from a private company in which a director is the private company's principal shareholder. These fees are included in management fees in the consolidated statement of loss.
- iv. For the year-ended December 31, 2020, the Company owed \$980 (2019 - \$19,000) to a company that shares senior management of the Company. The amounts owing results from office space expenses that the two entities share and at December 31, 2020, \$980 is included in accounts payable related to this amount.

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 Class A Common Shares	Stated Value
Balance, November 13, 2020	-	\$ -
Issue and repurchase of 1 common share ⁽¹⁾	-	-
Issue of common shares pursuant to a corporate reorganization ⁽²⁾	20,000	100
Balance, December 31, 2020	20,000	\$ 100

⁽¹⁾ This share was issued to affect the incorporation of the Company and then repurchased for the same amount, being \$0.01, immediately on the corporate reorganization (note 4)

⁽²⁾ Pursuant to note 4, the Company issued 20,000 common shares, at a value of \$0.005 per share, as part of a corporate reorganization. Pursuant to the corporate reorganization, the value for this issuance has been recorded at the carrying value of the equity in YLH LP at the date of the corporate reorganization, being \$100.

Global Helium Corp.

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(c) Warrants

	Number	Weighted average exercise price
Balance, January 1, 2019 and December 31, 2019	-	\$ -
Issued pursuant to a corporate reorganization (note 4)	20,000	0.25
Balance, December 31, 2020	20,000	\$ 0.25

Information about the warrants at December 31, 2020 is as follows:

Number of warrants – outstanding and exercisable	Exercise price	Expiry date
20,000	\$ 0.25	24 months from Listing Date

12. Taxes

(a) Deferred tax asset

At December 31, 2020, a deferred tax asset of \$33,072 has not been recognized in the financial statements. The following table provides a continuity of components of the deferred tax asset:

	Balance – January 1, 2019 and December 31, 2019	Recognized in income	Closing balance – December 31, 2020
Exploration and evaluation assets	\$ -	\$ -	\$ -
Undepreciated capital cost		7,180	7,180
Non-capital losses	-	25,892	25,892
Deferred tax asset not recognized	-	(33,072)	(33,072)
Deferred tax asset (liability)	\$ -	\$ -	\$ -

Global Helium Corp.

Notes to the financial statements

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(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, 2020	Year-ended December 31, 2019
Loss before income taxes	\$ (682,466)	\$ (260,194)
Corporate tax rate	23%	23%
Expected income tax recovery at statutory rates	(156,967)	(59,845)
Differences resulting from:		
Change in deferred tax asset not recognized	33,072	-
Income not taxed in corporation as earned in partnership (note 4)	(123,895)	59,845
Total income tax expense	\$ -	\$ -

13. 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 years-ended December 31, 2020 or 2019.

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 consists of cash bank balances. In order to manage credit risk, the Company holds cash balances 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.

The Company's receivables are aged as follows:

	December 31, 2020	December 31, 2019
Aging		
Current (less than 90 days)	\$ 39,683	\$ 5,014
Past due (more than 90 days)	-	-
	\$ 39,683	\$ 5,014

Since the Company's receivables consist of amount due from the government, the Company does not have an allowance for doubtful accounts as at December 31, 2020 and 2019, and believes all amounts will be collected in due course. The Company's historical expected credit loss is \$Nil. At December 31, 2020, the amount subject to credit risk relating to amounts receivable equates to their carrying value.

Global Helium Corp.

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Years-ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

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, 2020:

	Within one year	Between one and five years	Total
Accounts payable and accrued liabilities	\$ 61,142	\$ -	\$ 61,142
Promissory notes	\$ 1,323,000	\$ -	\$ 1,323,000

At December 31, 2020, the Company had negative working capital of \$1,063,535 (2019 - \$264,933). The negative working capital balance was eliminated through subsequent equity issuances and the conversion of the promissory notes to equity (note 16)

c. Market risk

i. Foreign currency risk and sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in USD. As at December 31, 2020, net financial assets totaling \$18,000 (December 31, 2019 - \$27,000) 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, 2020 and 2019 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 \$360 (2019 - \$700) in the Company's loss and comprehensive loss.

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, 2020, 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 rate. The Company is not exposed to interest rate risk as the Company had no interest-bearing debt as December 31, 2020 and December 31, 2019.

14. 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

Global Helium Corp.

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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 (deficit) and promissory notes payable. The Company's targeted capital structure at December 31, 2020 is 100% shareholders' equity. Management believes that such a capital structure is the most suitable for a pre-production exploration company.

The chief source of working capital is equity financing obtained through the sale of common 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. Pursuant to note 16, management believes that there is sufficient capital to carry out its planned activities over the next twelve months, however the Company may raise additional capital in the future if terms are acceptable.

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 year-ended December 31, 2020.

15. Supplemental disclosure with respect to cash flows

There was no interest or taxes paid for the years-ended December 31, 2020 and 2019.

Other than the corporate reorganization transaction per note 4, during the years-ended December 31, 2020 and 2019, the Company had no significant non-cash transactions.

16. Subsequent Events

- a) On January 1, 2021, the Company issued 7,980,000 units at \$0.005 per unit for gross proceeds of \$39,900. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from the Listing Date.
- b) On January 15, 2021, the Company issued 5,500,000 units at \$0.02 per unit for gross proceeds of \$110,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from the Listing Date.
- c) On February 1, 2021, the Company issued 5,300,000 units at \$0.05 per unit for gross proceeds of \$265,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from Listing Date.
- d) On January 1, 2021, the Company established a rolling stock option plan consistent with the guidelines established by the CSE. The rolling stock option plan (the "Plan") provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares exercisable for a period of up to five years from the date of grant. The exercise price for each option shall be determined by the Board of Directors, subject to the Policies of the CSE, at the time the option is granted, but such price shall not be less than the higher of the closing prices of the common shares on either the date of grant or the trading day prior to the date of grant. The exercise price may not be reduced without applicable regulatory approval. The Board may determine in its discretion which options

Global Helium Corp.

Notes to the financial statements

Years-ended December 31, 2020 and 2019

(Expressed in Canadian dollars)

shall vest and the method of vesting, subject only to compliance with the policies of the CSE. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The number of common shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the aggregate issued and outstanding common shares of the Company at the time of grant, but this maximum number may be revised from time to time by the Board in accordance with the policies of the CSE. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased common shares subject thereto shall again be available for the purpose of the Plan.

The number of stock options which may be granted under the Plan (calculated at the grant date), within a 12 month period:

- (a) to any one optionee, shall not exceed 5% of the total number of issued and outstanding common shares on a non-diluted basis at the time of the grant unless disinterested approval is obtained; and
- (b) to any one consultant shall not exceed 2% of the total number of issued and outstanding common shares on a non-diluted basis at the time of the grant; and
- (c) all eligible persons who undertake investor relations activities shall not exceed 1% in the aggregate of the total number of issued and outstanding common shares in any 12 month period, on a non-diluted basis; and
- (d) unless shareholder approval is obtained as provided for in Section 2.25 of National Instrument 45-106 – *Prospectus Exemptions* (which includes Disinterested Approval) following the distribution:
 - (i) the number of common shares, calculated on a fully diluted basis, reserved for issuance upon exercise of options to directors, executive officers or related entities of the Company, or an associate or permitted assign of directors, executive officers or related entities of the issuer (collectively, a “related persons”) may not exceed 10% of the issued and outstanding common shares in a 12 month period (5% to an individual related person); and
 - (ii) the number of common shares, calculated on a fully diluted basis, issued in 12 months upon exercise of options to a related person may not exceed 10% of the issued and outstanding common shares in a 12 month period (5% to an individual related person).

On February 1, 2021, the Company granted 2,000,000 stock options to certain directors, officers, and consultants with an exercise price of \$0.15 per share, which vested immediately, and expire 2 years from the date of grant, and such grant, although done prior to listing on the CSE, follows the guidelines for the CSE as discussed above.

- e) On February 15, 2021, the Company converted promissory notes payable of \$1,323,000 to 2,646,000 units of the Company. Each unit consisted of one common share and one common share purchase warrant exercisable at \$1.00 per share for two years from the Listing Date.
- f) On March 1, 2021, the Company issued 8,756,403 units at USD\$0.39 per unit for gross proceeds of USD\$3,414,997. Each unit consisted of one common share and one common share purchase warrant exercisable at CDN\$1.00 per share for two years from the Listing Date.
- g) On March 1, 2021, the Company issued 2,097,597 units at \$0.50 per unit for gross proceeds of \$1,048,799. Each unit consisted of one common share and one common share purchase warrant exercisable at \$1.00 per share for two years from the Listing Date.
- h) On April ●, 2021, the Company filed a non-offering prospectus and obtained a receipt from the securities commissions in Alberta and British Columbia.

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Global Helium Corp. ("Global" or the "Company") financial statements. The information provided herein should be read in conjunction with the Company's audited financial statements for the years-ended December 31, 2020 and 2019 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars ("CAD"). The effective date of this report is ●, 2021. [NTD: insert date of final prospectus].

On November 30, 2020, the Company acquired 100% of the assets of Yellow Line Helium Limited Partnership ("YLH LP") in exchange for 20,000 common shares, 20,000 common share purchase warrants and the assumption of YLH LP's debt. YLH LP held helium exploration permits in the province of Saskatchewan that are prospective for helium reserves. Subsequent to this transaction, the net assets of YLH LP, being 100% of the shares and warrants in the Company, were distributed to the partners and YLH LP was immediately dissolved. Immediately following this acquisition, the Company was owned by the same group as YLH LP and this transaction is considered a corporate reorganization. Since the transaction represents a continuity of interests from YLH LP to the Company, the Company has included the results of operations of the Company and YLH LP from YLH LP's inception, being January 1, 2019. Therefore, these financial statements and this MD&A include the historic financial position, results of operations and cash flows of YLH LP, from January 1, 2019 to November 30, 2020.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee reviews with management, the financial statements including the MD&A as well as other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Statements" that are subject to risk factors set out in a cautionary note contained herein.

DESCRIPTION OF BUSINESS AND OVERVIEW

Global is an exploration stage company focused on the (i) exploration and development of its existing helium permits on lands in Saskatchewan near other helium operators and producers and (ii) acquisition of additional helium properties for the purposes of further development and production.

On ●, 2021, the Company received approval for trading on the Canadian Securities Exchange ("CSE") under the symbol "HECO." The common shares of the Company are expected to be listed and posted for trading on the CSE on ●, 2021 (the "Listing Date").

Outlook

The management team of the Company conducted an extensive and methodical analysis of North American helium properties commencing in 2014, resulting in Global acquiring two helium permits covering approximately 180,000 acres in Canada's "Helium Belt" in Saskatchewan.

With permits now in place, the Company will undertake to construct a robust geological model, which will include shooting and purchasing seismic, seismic reprocessing and interpretation, and well log integration to refine and shape the geological model.

Ultimately, Global intends to drill several wells on its existing lands and construct a helium extraction facility to produce rare and valuable helium for the North American market.

OPERATING AND FINANCIAL SUMMARY**For the year-ended December 31, 2020:**

- Incurred a loss of \$682,466 compared to \$260,194 in the previous year
- The Company commenced preliminary geological and geophysical work on its Saskatchewan properties
- Obtained an additional \$1,054,000 in funding pursuant to a promissory note payable
- Cash used in operations increased to \$816,724 from \$107,567 in the previous year

For the three-months ended December 31, 2020:

- Incurred a loss of \$273,570 compared to \$45,964 in the comparable prior quarter
- Cash used in operations increased to \$283,272 from \$5,432 in the previous comparable quarter

For the year-ended December 31, 2019:

- Incurred a loss of \$260,194 in the initial year of operations
- Acquired helium permits on extensive prospective lands in Saskatchewan
- Obtained \$269,000 in funding pursuant to a promissory note payable
- Cash used in operating activities was \$107,567 in the initial year of operations

SUMMARY OF QUARTERLY AND YEAR-TO-DATE RESULTS

	Three-months ended December 31,		Year-ended December 31,	
	2020	2019	2020	2019
Loss and comprehensive loss	273,570	45,964	682,466	260,194
Cash used in operating activities	283,272	5,432	816,724	107,567
Cash used in investing expenditures	27,912	2,319	116,136	4,839
Working capital deficit			1,063,535	264,933
Total assets			441,582	171,667

LOSS AND COMPREHENSIVE LOSS

Loss and comprehensive loss for the three-months and years-ended December 31, 2020 and 2019 are as follows:

	Three-months ended December 31,		Year-ended December 31,	
	2020	2019	2020	2019
Loss and comprehensive income loss	273,570	45,964	682,466	260,194

For the three-months ended December 31, 2020, the Company incurred a loss and comprehensive loss of \$273,570 compared to a loss and comprehensive loss of \$45,964 for the same period in 2019. The main reason for the increased loss in the current quarter compared to same quarter in 2019, is due to commencement of paying management fees in the current period (2020 - \$165,000, 2019 - \$Nil).

For the year-ended December 31, 2020, the Company incurred a loss and comprehensive loss of \$682,466 compared to a loss and comprehensive loss of \$260,194 for the year-ended December 31, 2019. The main reasons for the increased loss in the current year is due to the commencement of paying management fees in the current year (2020 - \$505,000, 2019 - \$Nil).

The Company expects to incur losses in the near term as it is still in the exploration phase of its development.

CASH USED IN OPERATING ACTIVITIES

Cash used in operating activities for the three-month periods and years-ended December 31, 2020 and 2019 are as follows:

\$	Three-months ended December 31,		Year-ended December 31,	
	2020	2019	2020	2019
Cash used in operating activities	283,272	5,432	816,724	107,567

For the three-months and years-ended December 31, 2020 cash used in operating activities was \$283,272 and \$816,724 respectively as compared to \$5,432 and \$107,567 respectively in the comparable prior periods. The main reason for the increased use of cash is primarily due to increased management fees as discussed above, as well as payment of some outstanding payables once significant funding was obtained in 2020.

INVESTING EXPENDITURES

The following table summarizes capital expenditures for the three-month periods and years-ended December 31, 2020 and December 31, 2019:

\$	Three-months ended December 31,		Year-ended December 31,	
	2020	2019	2020	2019
Exploration and evaluation assets	7,060	2,319	116,136	4,839

The Company obtained helium permits in September and October 2019 for Saskatchewan. Since acquiring these permits the Company has conducted geological and geophysical work, and made the required annual mineral lease payments on the permitted lands.

SUMMARY OF SELECTED QUARTERLY RESULTS

The following table sets forth certain quarterly financial information of the Company's previous quarters:

\$	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Loss and comprehensive loss	273,570	175,176	173,266	60,454	45,964	17,636	65,057	131,537
Cash used in operating activities	283,272	294,993	219,478	18,981	5,432	7,550	94,485	100
Cash used in investing activities	27,912	31,620	600	56,004	2,319	2,520	-	-
Working capital deficit	1,063,535	782,905	555,257	381,391	264,933	216,650	196,464	131,437
Total assets	441,582	741,874	1,008,958	170,832	171,667	184,450	199,046	29,778

The above results reflect the Company's first two years of operations. During 2019, the Company incurred some initial start up costs, and incurred some expenses related to analyzing its potential helium targets in Saskatchewan. In 2020, the Company raised additional funds and began conducting more targeted geological and geophysical work on its Saskatchewan helium permitted lands, and commenced paying management fees.

SELECTED ANNUAL INFORMATION

The Company has only been in existence since January 1, 2019, and therefore the disclosures in other sections of this MD&A reflect any annual information related to the Company since that time.

LIQUIDITY AND CAPITAL RESOURCES

The 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 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.

At December 31, 2020, the Company had a working capital deficit of \$1,063,535 and has an accumulated deficit of \$942,660 since inception. The Company has not yet reached production from its exploration activities. As outlined in the "Subsequent Events" section of this MD&A, subsequent to December 31, 2020, the Company raised equity and converted the promissory notes to equity, resulting in a stronger financial position for the Company going forward.

The global impact of COVID-19 has resulted in significant declines in global stock markets and has created a great deal of uncertainty as to the health of the global economy in the near future. As a result, resource companies are subject to heightened risks associated with ongoing and future development expenditures and operating costs. These factors may have a negative impact on the Company's ability to raise equity, if required, in the near future or on terms favorable to the Company. Impairment indicators for the Company's helium assets could be increased in future periods due to the global pandemic. The potential financial impact that COVID-19 cannot be reasonably estimated at this time.

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 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.

The Company does not have self-sustaining revenues at this time and must rely on equity or debt financing to fund working capital and to carry out its business goals.

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 (deficit) and promissory notes payable. The Company's targeted capital structure at December 31, 2020 is 100% shareholders' equity. Management believes that such a capital structure is the most suitable for a pre-production exploration company.

The chief source of working capital is equity financing obtained through the sale of common 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. Pursuant to note 16, management

believes that there is sufficient capital to carry out its planned activities over the next twelve months, however the Company may raise additional capital in the future if terms are acceptable.

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 year-ended December 31, 2020.

RELATED PARTY TRANSACTIONS

The Company had the following transactions with related parties (including key management compensation):

- i. For the year-ended December 31, 2020, the Company incurred \$40,000 of chief executive officer consulting fees (2019 - \$Nil) from a private company in which a director and officer is the private company's principal shareholder. These fees are included in management fees in the statement of loss.
- ii. For the year-ended December 31, 2020, the Company incurred \$150,000 of chief financial officer consulting fees (2019 - \$Nil) from an officer of the Company. These fees are included in management fees in the statement of loss.
- iii. For the year-ended December 31, 2020, the Company incurred \$175,000 of vice-president of exploration consulting fees (2019 - \$Nil) from a private company in which a director is the private company's principal shareholder. These fees are included in management fees in the consolidated statement of loss.
- iv. For the year-ended December 31, 2020, the Company owed \$980 (2019 - \$19,000) to a company that shares senior management of the Company. The amounts owing results from office space expenses that the two entities share and at December 31, 2020, \$980 is included in accounts payable related to this amount.

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 Class A Common Shares	Stated Value
Balance, November 13, 2020	-	\$ -
Issue and repurchase of 1 common share ⁽¹⁾	-	-
Issue of common shares pursuant to a corporate reorganization with YLH LP ⁽²⁾	20,000	100
Balance, December 31, 2020	20,000	\$ 100

⁽¹⁾ This share was issued to affect the incorporation of the Company and then repurchased for the same amount, being \$0.01, immediately on corporate reorganization with YLH LP

⁽²⁾ Pursuant to note 4 of the financial statements, the Company issued 20,000 common shares, at a value of \$0.005 per share, as part of a corporate reorganization with YLH LP. Pursuant to the corporate reorganization,

the value for this issuance has been recorded at the carrying value of the equity in YLH LP at the date of the corporate reorganization, being \$100.

(c) Warrants

	Number	Weighted average exercise price
Balance, January 1, 2019 and December 31, 2019	-	\$ -
Issued pursuant to a corporate reorganization with YLH LP	20,000	0.25
Balance, December 31, 2020	20,000	\$ 0.25

Information about the warrants at December 31, 2020 is as follows:

Number of warrants – outstanding and exercisable	Exercise price	Expiry date
20,000	\$ 0.25	24 months from Listing Date

(d) As at ●, 2021 the Company had ● common shares, 2,000,000 stock options, and ● warrants outstanding.

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 years-ended December 31, 2020 or 2019.

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 consists of cash bank balances. In order to manage credit risk, the Company holds cash balances 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.

The Company's receivables are aged as follows:

Aging	December 31, 2020	December 31, 2019
Current (less than 90 days)	\$ 39,683	\$ 5,014
Past due (more than 90 days)	-	-
	\$ 39,683	\$ 5,014

Since the Company's receivables consist of amount due from the government, the Company does not have an allowance for doubtful accounts as at December 31, 2020 and 2019, and believes all amounts will be collected in due course. The Company's historical expected credit loss is \$Nil. At December 31, 2020, 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, 2020:

	Within one year	Between one and five years	Total
Accounts payable and accrued liabilities	\$ 61,142	\$ -	\$ 61,142
Promissory notes	\$ 1,323,000	\$ -	\$ 1,323,000

At December 31, 2020, the Company had negative working capital of \$1,063,535 (2019 - \$264,933). The negative working capital balance was eliminated through subsequent equity issuances and the conversion of the promissory notes to equity.

c. Market risk**i. Foreign currency risk and sensitivity analysis**

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in USD. As at December 31, 2020, net financial assets totaling \$18,000 (December 31, 2019 - \$27,000) 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, 2020 and 2019 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 \$360 (2019 - \$700) in the Company's loss and comprehensive loss.

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, 2020, 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 rate. The Company is not exposed to interest rate risk as the Company had no interest-bearing debt as December 31, 2020 and December 31, 2019.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of 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 financial statements include:

- 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;
- 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 reserves 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 assessment that there are currently no decommissioning liabilities associated with the Company's operations.

SUBSEQUENT EVENTS

- a) On January 1, 2021, the Company issued 7,980,000 units at \$0.005 per unit for gross proceeds of \$39,900. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from the Listing Date.
- b) On January 15, 2021, the Company issued 5,500,000 units at \$0.02 per unit for gross proceeds of \$110,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from the Listing Date.
- c) On February 1, 2021, the Company issued 5,300,000 units at \$0.05 per unit for gross proceeds of \$265,000. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.25 per share for two years from Listing Date.
- d) On January 1, 2021, the Company established a rolling stock option plan consistent with the guidelines established by the CSE. The rolling stock option plan (the "Plan") provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares exercisable for a period of up to five years from the date of grant. The exercise price for each option shall be determined by the Board of Directors, subject to the Policies of the CSE, at the time the option is granted, but such price shall not be less than the higher of the closing prices of the common shares on either the date of grant or the trading day prior to the date of grant. The exercise price may not be reduced without applicable regulatory approval. The Board may determine in its discretion which options shall vest and the method of vesting, subject only to compliance with the policies of the CSE. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The number of common shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the aggregate issued and outstanding common shares of the Company at the time of grant, but this maximum number may be revised from time to time by the Board in accordance with the policies of the CSE. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased common shares subject thereto shall again be available for the purpose of the Plan.

The number of stock options which may be granted under the Plan (calculated at the grant date), within a 12 month period:

- (a) to any one optionee, shall not exceed 5% of the total number of issued and outstanding common shares on a non-diluted basis at the time of the grant unless disinterested approval is obtained; and
- (b) to any one consultant shall not exceed 2% of the total number of issued and outstanding common shares on a non-diluted basis at the time of the grant; and

- (c) all eligible persons who undertake investor relations activities shall not exceed 1% in the aggregate of the total number of issued and outstanding common shares in any 12 month period, on a non-diluted basis; and
- (d) unless shareholder approval is obtained as provided for in Section 2.25 of National Instrument 45-106 – *Prospectus Exemptions* (which includes Disinterested Approval) following the distribution:
 - (i) the number of common shares, calculated on a fully diluted basis, reserved for issuance upon exercise of options to directors, executive officers or related entities of the Company, or an associate or permitted assign of directors, executive officers or related entities of the issuer (collectively, a “related persons”) may not exceed 10% of the issued and outstanding common shares in a 12 month period (5% to an individual related person); and
 - (ii) the number of common shares, calculated on a fully diluted basis, issued in 12 months upon exercise of options to a related person may not exceed 10% of the issued and outstanding common shares in a 12 month period (5% to an individual related person).

On February 1, 2021, the Company granted 2,000,000 stock options to certain directors, officers, and consultants with an exercise price of \$0.15 per share, which vested immediately, and expire 2 years from the date of grant, and such grant, although done prior to listing on the CSE, follows the guidelines for the CSE as discussed above.

- e) On February 15, 2021, the Company converted promissory notes payable of \$1,323,000 to 2,646,000 units of the Company. Each unit consisted of one common share and one common share purchase warrant exercisable at \$1.00 per share for two years from the Listing Date.
- f) On March 1, 2021, the Company issued 8,756,403 units at USD\$0.39 per unit for gross proceeds of USD\$3,414,997. Each unit consisted of one common share and one common share purchase warrant exercisable at CDN\$1.00 per share for two years from the Listing Date.
- g) On March 1, 2021, the Company issued 2,097,597 units at \$0.50 per unit for gross proceeds of \$1,048,799. Each unit consisted of one common share and one common share purchase warrant exercisable at \$1.00 per share for two years from the Listing Date.
- h) On April ●, 2021, the Company filed a non-offering prospectus and obtained a receipt from the securities commissions in Alberta and British Columbia.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RISKS AND UNCERTAINTIES

The Company's principal activity is exploration, acquisition and development of resource deposits. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating helium prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with the Company's dependence on the exploration and evaluation assets are: geological exploration and development; changes in law; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour

and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as “expects”, “intends”, “may”, “could”, “should”, “anticipates”, “likely”, “believes” and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of helium properties, helium industry conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

OTHER INFORMATION

Additional information on factors that may affect the business and financial results of the Company can be found on www.sedar.com.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

GLOBAL HELIUM CORP. (THE "CORPORATION")

AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the "**Directors**") hereby establish an audit committee (the "**Audit Committee**").
2. **Membership:** The membership of the Audit Committee shall be as follows:
 - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
 - (b) The majority of the members of the Audit Committee shall be independent Directors.
 - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.
 - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
 - (a) the accounting and financial reporting processes of the Corporation; and
 - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year-end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing, an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:

- (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
- (ii) the compensation of the external auditors.
- (d) discussing with the external auditor:
 - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
 - (ii) significant changes in the Corporation's accounting principles, practices or policies; and
 - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
 - (i) the financial statements;
 - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
 - (iii) significant changes, if any, to the initial audit plan;
 - (iv) accounting and reporting decisions relating to significant current year events and transactions;
 - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
 - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
 - (i) the interim financial statements;
 - (ii) the interim MD&A; and
 - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies.
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between) the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.

(h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.

(i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.

(j) establishing and reviewing of procedures for:

(i) receipt, retention, and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;

(ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and

(iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.

(k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.

(1) reviewing and/or considering that, with regard to the previous fiscal year,

- management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;

- the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;

- the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and

- in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with International Financial Reporting Standards (IFRS) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

(a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.

- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the external auditors and shall be given in respect of meetings relating to the annual audited financial statements. The external auditors have the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the external auditors, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditors believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, officers, employees and external auditors of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall have the authority to:
- (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
 - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
 - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

CERTIFICATE OF THE COMPANY

Dated: March 19, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation in Alberta and British Columbia.

“Wesley Siemens”

Wesley Siemens
President

“Nathan Steinke”

Nathan Steinke
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Christopher Cooper”

Christopher Cooper
Director

“Bradley Nichol”

Bradley Nichol
Director