This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Global Helium Corp. ("Global" or the "Company") consolidated financial statements. The information provided herein should be read in conjunction with the Company's audited consolidated financial statements for the years-ended December 31, 2021 and 2020 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 February 23, 2022.

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 resources. 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, the 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.

The reader is encouraged to review Company statutory filings on www.sedar.com.

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.

The Company received approval for a listing on the Canadian Securities Exchange ("CSE") under the symbol "HECO" and commenced trading on May 19, 2021.

Outlook

The management team of the Company continues to evaluate helium opportunities throughout Canada and the United States to build a top tier inventory of helium opportunities within North America.

Global continues to add acreage in Canada's "Helium Fairway" in southern Saskatchewan where the Company now hold almost 1.4 million acres in three core areas. The Company is actively shooting seismic, reprocessing and analyzing aeromagnetic and gravity data, and analyzing well log and well test information to construct a robust geological model and to identify helium opportunities. A major component of understanding and refining the geological model includes drilling, which the Company expects to undertake in 2022.

The Company expects to acquire significantly more core acreage in Saskatchewan and is looking to position in a number of opportunities in the United States.

OPERATING AND FINANCIAL SUMMARY

For the year-ended December 31, 2021:

- Incurred a loss of $3,407,904 compared to $682,466 in the previous comparable period.
- Cash used in operations increased to $3,097,119 from $816,724 in the previous comparable period.
- The Company was granted 23 new helium permit lands in Saskatchewan and conducted geological and geophysical activities on its permits.
- The Company was listed and began trading on the US OTC exchange under the symbol HECOF and commenced a significant corporate awareness campaign in conjunction with this listing.
- The Company completed several equity financings that raised gross proceeds of $10,841,059.
- Warrants and stock options were exercised for proceeds of $2,023,420.

For the three-months ended December 31, 2021:

- Incurred a loss of $1,615,202 compared to $273,570 in the previous comparable period.
- Cash used in operations increased to $1,614,322 from $283,272 in the previous comparable period.
- The Company was granted nine new helium permit lands in Saskatchewan and conducted geological and geophysical activities on its permits.
- The Company incorporated a new 100% owned US subsidiary, Global helium USA Corp., to support its planned activities in the United States.
- The Company completed an equity financing that raised gross proceeds of $5,053,633.
- Warrants and stock options were exercised for proceeds of $1,973,420.

SUMMARY OF QUARTERLY AND YEAR-TO-DATE RESULTS

$	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Loss and comprehensive loss	1,615,202	273,570	3,407,904	682,466
Per share – basic and diluted	0.04	13.68	0.11	34.12
Cash used in operating activities	1,614,322	283,272	3,097,119	816,724
Per share – basic and diluted(1)	0.04	14.16	0.10	40.84
Cash used in investing activities	434,544	27,912	690,673	116,136
Working capital (deficit)			8,929,594	(1,063,535)
Shareholders' equity (deficit)			9,983,178	(942,560)
Total assets			10,332,729	441,582

(1) Based on the same weighted average number of common shares outstanding used to calculate loss and comprehensive loss per share.

EXPENSES

Cash Expenses

Cash expenses for the applicable comparative periods are as follows:

$	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Total expenses	1,617,202	273,570	3,409,904	682,466
Less depreciation	(6,627)	-	(8,092)	-
Less stock-based compensation	-	-	(370,000)	-
Total cash expenses	1,610,575	273,570	3,031,812	682,466

For the three-months and year-ended December 31, 2021, total cash expenses were $1,610,575 and $3,031,812 respectively as compared to $273,570 and $682,466 in the comparable prior periods. The main reasons for the increased cash expenses in the current periods are:

- Concurrent with the significant equity raises during 2021, the Company:
  - Incurred increased consulting fees as it worked towards its goal to establish new areas for its exploration activities;
  - Began paying normal management salaries and fees.
- In September 2021, the Company was listed and began trading on the US OTC exchange under the symbol HECOF and commenced a significant corporate awareness campaign in conjunction with this listing. For the three months and year-ended December 31, 2021, the marketing expenses were $1,014,760 and $1,399,015 respectively.
- The Company incurred significantly higher professional fees due to the work required to obtain the Company's public listing in May 2021.

Stock-based compensation

During the year-ended December 31, 2021, the Company incurred $370,000 of non-cash stock-based compensation expense (December 31, 2020 – nil) related to the 2,900,000 options that were granted during the year.

LOSS AND COMPREHENSIVE LOSS

Loss and comprehensive loss for the applicable comparative periods are as follows:

$	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Loss and comprehensive loss	1,615,202	273,570	3,407,904	682,466
Loss and comprehensive loss per share - basic and diluted	0.04	13.68	0.11	34.12

For the three months and year-ended December 31, 2021, the Company incurred a loss and comprehensive loss of $1,615,202 and $3,407,904 respectively ($0.04 and $0.11 per share) compared to a loss and comprehensive loss of $273,570 and $682,466 for the same periods in 2020 ($13.68 and $34.12 per share). The main reasons for the increased losses in the current periods are described above under the "Expenses" section.

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

CASH USED IN OPERATING ACTIVITIES

Cash used in operating activities for the applicable comparative periods are as follows:

$	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Cash used in operating activities	1,614.322	283,272	3,097,119	816,724
Cash used in operating activities per share - basic and diluted	0.04	14.16	0.10	40.84

For the three months and year-ended December 31, 2021, cash used in operating activities was $1,614,322 and $3,097,119 respectively as compared to $283,272 and $816,724 in the comparable prior periods. The main reasons for the increased use of cash in the current periods are described above under the "Expenses" section.

INVESTING EXPENDITURES

The following table summarizes capital expenditures for the applicable comparative periods as follows:

$	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Deposit paid on acquisition of exploration and evaluation assets	267,120	-	267,120	-
Exploration and evaluation assets	370,606	7,060	629,262	116,136
Property and equipment	-	-	8,790	-
Total investing expenditures	637,726	7,060	905,172	116,136

Concurrent with the Company's significant equity raises during 2021, the Company increased geological and geophysical evaluations on its Saskatchewan lands, in support of developing an inventory of drilling locations. The Company also significantly increased the number of helium permits its holds in Saskatchewan, resulting in increased permit acquisition costs during 2021.

In December 2021, the Company paid a deposit of $267,120 on certain exploration and evaluation assets. Subsequent to year-end, the underlying agreement closed.

SUMMARY OF SELECTED QUARTERLY RESULTS

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

$000 (except per share information)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Loss and comprehensive loss	1,615	870	552	370	274	175	173	60
Per share	0.11	0.03	0.02	0.02	13.70	8.75	8.66	3.02
Cash used in operating activities	1,614	350	893	240	283	295	219	19
Per share	0.04	0.01	0.03	0.01	14.15	14.75	10.97	0.95
Cash used in investing activities	435	83	86	86	28	32	1	56
Working capital (deficit)	8,930	4,383	4,894	5,530	(1,064)	(783)	(555)	(381)
Total assets	10,333	6,081	5,366	5,999	442	742	1,009	171
Weighted average shares	41,469	32,328	32,300	20,822	20	20	20	20

In 2020, the Company incurred some initial start up costs, and incurred some expenses related to analyzing its potential helium plays in Saskatchewan. The Company also raised additional funds via promissory notes in 2020 and began conducting more targeted geological and geophysical work and commenced paying management fees.

During the first quarter of 2021, the Company raised significant equity and subsequently completed the process of listing the Company on the CSE exchange in May 2021. The Company completed a subsequent equity raise in the fourth quarter of 2021, raising a total of $10,841,059 in 2021. The Company has acquired significant helium permits in 2021 and is now in a position to execute on its plan to conduct significant helium exploration activities on its permitted lands and seek out additional helium-based opportunities in North America.

SUMMARY OF SELECTED ANNUAL RESULTS

The following table sets forth certain annual financial information of the Company's most recently completed years-ending December 31:

$	Year-ended December 31, 2021	Year-ended December 31, 2020	Year-ended December 31, 2019
Loss and comprehensive loss	3,407,904	682,466	260,194
Per share – basic and diluted	0.11	34.12	13.01
Cash used in operating activities	3,097,119	816,724	107,567
Per share – basic and diluted[(1)]	0.10	40.84	5.38
Cash used in investing activities	690,673	116,136	4,839
Working capital (deficit)	8,929,594	(1,063,535)	(264,933)
Shareholders' equity (deficit)	9,983,178	(942,560)	(260,094)
Weighted average shares – basic and diluted [(2)]	31,787,888	20,000	20,000
Total assets	10,332,729	441,582	171,667

(1) Based on the same weighted average number of common shares outstanding used to calculate loss and comprehensive loss per share.
(2) The numbers for the years-ended 2020 and 2019 incorporate the number of units outstanding from YLH LP.

The results above show the Company going through the initial development phase of a start up company – raising equity and then deploying those funds on various exploration projects. During 2020 and 2021, the Company has acquired 25 helium permits in Saskatchewan and raised significant equity to continue significant exploration on this property.

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.

For the year ended December 31, 2021, the Company had loss and comprehensive loss of $3,407,904 (December 31, 2020 – $682,466) and has an accumulated deficit of $4,350,564 since inception. The Company has not yet reached production from its exploration activities.

The global COVID-19 pandemic has added a new potential risk to the Company's ability to operate and raise equity in the near future. The potential financial impact of the pandemic 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). The Company's targeted capital structure at December 31, 2021 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. Considering the equity raised during the year-ended December 31, 2021, 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 three months and year-ended December 31, 2021.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

(a) Related party transactions

i. For the year-ended December 31, 2021, the Company incurred $180,000 of chief executive officer consulting fees (December 31, 2020 - $40,000) 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, 2021, the Company incurred $45,000 of chief financial officer consulting fees (December 31, 2020 - $150,000) 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, 2021, the Company incurred $45,000 of vice-president of exploration consulting fees (December 31, 2020 - $175,000) from a private company in which the officer is the private company's principal shareholder. These fees are included in management fees in the statement of loss.

iv. For the year-ended December 31, 2021, the Company received $2,000 of rent income (December 31, 2020 - $nil) from companies that share senior management of the Company. The rent income results from office space expenses that the entities share and the amount is included in rent income in the statement of loss. The Company also owed $1,613 (December 31, 2020 - $980) to companies that share senior management of the Company related to the shared office space expense and is included in accounts payable in the statement of financial position as at December 31, 2021.

(b) Key management compensation

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

	Three-months ended December 31, 2021	Three-months ended December 31, 2020	Year-ended December 31, 2021	Year-ended December 31, 2020
Officer consulting fees, salaries, and benefits	$ 193,975	$ 205,000	$ 752,127	$ 365,000
Stock-based compensation	-	-	289,800	-
Total	$ 193,975	$ 205,000	$ 1,041,927	$ 365,000

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

Common Shares	Number of Shares	$
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
Issue of common shares pursuant to private placements (3)	37,408,820	7,449,625
Issue of common shares pursuant to promissory note settlements (4)	2,646,000	910,224
Issue of common shares on warrant exercises	3,391,720	2,222,180
Issue of common shares on option exercises	300,000	49,200
Share issuance costs	-	(306,652)
Balance, December 31, 2021	43,766,540	$ 10,324,677

(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.

(2) 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.

(3) During the year ended December 31, 2021, the Company completed the following private placements:

(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 until May 19, 2023.

(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 until May 19, 2023.

(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 until May 19, 2023.

(d) 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 (CDN $4,323,728). Each unit consisted of one common share and one common share purchase warrant exercisable at CDN$1.00 per share until May 19, 2023.

(e) 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 until May 19, 2023.

(f) In October 2021, the Company issued 7,774,820 units at $0.65 per unit for gross proceeds of $5,053,633. Each unit consisted of one common share and one common share purchase warrant exercisable at $1.00 per share until October 2023.

In addition, 255,070 purchase warrants, exercisable until October 2023 at a price of $0.65 per share, were issued as additional compensation to the agent with respect to this financing. Share issuance costs of $209,157 were recorded with a corresponding increase in contributed surplus. The fair value of the warrants was estimated on the date of issuance at $0.82 per warrant, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.52%, expected life – 2 years, expected dividend yield – 0%, expected volatility – 130%, and forfeiture rate – 0%.

(g) Share capital and warrant proceeds allocation: The total gross proceeds for these private placements in 2021 of $10,841,059 has been split to share capital and warrants as to $7,449,625 and $3,391,434, respectively, based on the relative fair values of each instrument on the date of issuance. The fair value of the warrants issued was estimated on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 0.34%, expected life – 2.3 years, expected dividend yield – 0%, expected volatility – 124%, and forfeiture rate – 0%. The expected volatility was calculated using a weighted average volatility of similar public companies in the junior resource industry and the Company's own volatility after it began trading.

(4) 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 until May 19, 2023.

The total amount of the promissory note settlements of $1,323,000 has been split to share capital and warrants as to $910,224 and $412,776, respectively, based on the relative fair values of each instrument on the date of issuance. The fair value of the warrants was estimated on the date of issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.29%, expected life – 2.3 years, expected dividend yield – 0%, expected volatility – 123%, and forfeiture rate – 0%. The expected volatility was calculated using a weighted average volatility of similar public companies in the junior resource industry.

(c) Warrants

	Number		$		Weighted average exercise price
Balance, January 1, 2020	-	$	-	$	-
Issued pursuant to a corporate reorganization	20,000		-		0.25
Balance, December 31, 2020	20,000	$	-	$	0.25
Issued pursuant to private placements	37,663,890		3,391,434		0.63
Issued pursuant to debt settlements	2,646,000		412,776		1.00
Warrant issue costs			(126,342)		-
Exercised (1)	(3,391,720)		(243,760)		0.58
Balance, December 31, 2021	36,938,170	$	3,434,108	$	0.66

1. During the year ended December 31, 2021, 3,391,720 warrants were exercised for cash proceeds of $1,978,420. The original value of $243,760 ascribed to these warrants when issued was adjusted to share capital on exercise.

Information about the warrants at December 31, 2021 is as follows:

Number of warrants – outstanding and exercisable	Exercise price	Expiry date
16,915,600	$ 0.25	May 19, 2023
12,032,680	$ 1.00	May 19, 2023
2,382,800	$ 1.00	October 4, 2023
5,607,090	$ 1.00	October 5, 2023
36,938,170		

(d) Per share amounts

		Year-ended December 31, 2021		Year-ended December 31, 2020
Loss and comprehensive loss for the year	$	(3,407,904)	$	(682,466)
Weighted average number of common shares outstanding – basic and diluted(1)		31,787,888		20,000
Loss and comprehensive loss per share – basic and diluted	$	(0.11)	$	(34.12)

(1) All stock options and warrants have been excluded from the calculation of diluted loss per share as they would be anti-dilutive due to the Company being in a loss position for the years-ended December 31, 2021 and 2020.

(e) Stock-based compensation

i. Stock option plan

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

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

Stock option transactions are summarized as follows:

	Number		Weighted average exercise price
Balance, December 31, 2019 and 2020	-		-
Granted [(1)]	2,900,000		0.29
Exercised [(2)]	(300,000)		0.15
Balance, December 31, 2021	2,600,000	$	0.31

[(1)] All the options vested immediately.
[(2)] During 2021, 300,000 options were exercised for cash proceeds of $45,000. $4,200 of related stock-based compensation recognized on vested options before the exercises has been added to share capital and removed from contributed surplus.

Information about the stock options outstanding and exercisable on December 3, 2021, are as follows:

Number of options - outstanding	Number of options - exercisable	Weighted average exercise price	Expiry date
1,700,000	1,700,000	$0.15	February 1, 2023
900,000	900,000	$0.61	August 11, 2023
2,600,000	2,600,000		

ii. Stock-based compensation expense

Compensation expense of $Nil and $370,000 for the three months and year-ended December 31, 2021 respectively (three and nine-months-ended December 31, 2020 - $Nil and $Nil) has been recorded in the statement of loss with a corresponding increase in contributed surplus.

The weighted average fair value of each option granted during the year-ended December 31, 2021 was estimated on the date of grant to be $0.13 using the Black-Scholes option pricing model with the following weighted average assumptions for grants as follows:

	Year- ended December 31, 2021
Risk-free interest rate	0.25%
Expected life of option	2.0 years
Expected dividend yield	0%
Expected volatility [(a)]	127%
Forfeiture rate	0%
Exercise price	$0.29
Share price at grant date	$0.22

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

(f) As at February 23, 2022 the Company had 44,076,040 common shares, 2,600,000 stock options, and 36,628,670 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 year-ended December 31, 2021.

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 of Canada.

The Company's receivables are aged as follows:

Aging	December 31, 2021	December 31, 2020
Current (less than 90 days)	$ 68,560	$ 39,683
Past due (more than 90 days)	-	-
	$ 68,560	$ 39,683

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, 2021 and December 31, 2020, and believes all amounts will be collected in due course. The Company's historical expected credit loss is $Nil. At December 31, 2021, 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, 2021:

	Within one year	Between one and five years	Total
Accounts payable and accrued liabilities	$ 269,112	$ -	$ 269,112
Lease obligation	33,456	46,983	80,439
Total	302,568	46,983	349,551

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, 2021, net financial assets totaling $2,526,000 (December 31, 2020 - $18,000) 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, 2021 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 $50,000 in the Company's loss and comprehensive loss for the year-ended December 31, 2021.

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, 2021, 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 of December 31, 2021.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

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

i. Going-concern - the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
ii. Cash-generating units ("CGUs") - The Company's exploration and evaluation assets are aggregated into cash-generating units for calculating impairment, based on their ability to generate largely independent cash flows. The classification of assets into CGU's requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Company's operations;
iii. Exploration and evaluation assets – The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of resources have been found in assessing economic viability and technical feasibility;
iv. Leases - Judgments are required to determine if a contract is, or contains, a lease. These judgments require an assessment of whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Judgment is also required to determine the interest rate used to discount the lease payments; and
v. Decommissioning liabilities - the assessment that there are currently no decommissioning liabilities associated with the Company's operations.
vi. Stock-based compensation – The amounts recorded for stock-based compensation expense relating to the fair value of stock options issued are estimated using the Black-Scholes option pricing model including management's estimates of the future volatility of the Company's share value, estimated market value of the Company's shares at grant date, expected forfeiture rates, expected lives of the options (based on general holder behavior) and the risk-free interest rate (based on government bonds).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at December 31, 2021, the Company holds 25 helium exploration permits over certain lands in Saskatchewan. The Company is required to make future annual lease maintenance expenditures, annual permit exploration expenditures and annual permit drilling expenditures as follows:

	2022	2023	2024	2025	2026	Total
Annual lease maintenance expenditures	$ 42,600	$ 77,100	$ 123,100	$ 123,100	$ -	$ 365,900
Annual permit exploration expenditures	215,000	255,000	532,000	761,000	759,000	2,522,000
Annual permit drilling expenditures	-	29,000	54,000	197,000	369,000	649,000
Total	**$ 257,600**	**$ 361,100**	**$ 709,100**	**$ 1,081,100**	**$ 1,128,000**	**$ 3,536,900**

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, 2021, The Company had met its annual permit expenditures obligations on its helium permits related to the above 2020 and 2021 requirements.

During the year ended December 31, 2021, $31,412 (2020 - $Nil) in exploration and evaluation expenditures were expensed as they were incurred prior to the Company having the legal right to explore.

SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2021, 309,500 warrants have been exercised for gross cash proceeds of $309,500.

(b) Subsequent to December 31, 2021, the Company has been granted an additional two permits in Saskatchewan covering 38,897 additional hectares, resulting in future annual rental, exploration and drilling obligations totaling approximately $26,000, $196,000 and $45,000 respectively. The obligations will have to be met over the next five years, consistent with Saskatchewan helium permit requirements.

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.