



NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The attached condensed interim consolidated financial statements for the nine months ended December 31, 2023 have not been reviewed by the Company's auditors.

First Helium Inc.**Interim Consolidated Balance Sheets**

Cdn\$ (unaudited)

As at**December 31,
2023****March 31,
2023****ASSETS****Current assets**

Cash and cash equivalents	\$ 148,221	\$ 165,274
Accounts receivable (Note 8)	98,956	177,668
Prepays and deposits	148,678	88,068
	395,855	431,010

Long-term deposit (Note 6)	427,436	366,594
Exploration and evaluation (Note 4)	11,418,800	11,234,779
Property, plant and equipment (Note 5)	4,394,942	5,033,742
	\$ 16,637,033	\$ 17,066,125

LIABILITIES**Current liabilities**

Accounts payable and accrued liabilities	\$ 1,075,285	\$ 1,402,716
Financial lease liability – current (Note 11)	81,854	80,359
	1,157,139	1,483,075

Financial lease liability (Note 11)	-	60,627
Asset retirement obligations (Note 6)	1,295,475	1,241,299
	2,452,614	2,785,001

SHAREHOLDERS' EQUITY

Shareholders' capital (Note 7)	21,333,250	21,403,822
Share subscriptions advance (Note 7)	2,146,200	-
Contributed surplus (Note 7)	2,070,835	1,923,456
Deficit	(11,365,866)	(9,046,154)
	14,184,419	14,281,124
	\$ 16,637,033	\$ 17,066,125

Nature and continuance of operations (Note 1)

Subsequent event (Note 13)

See accompanying notes to the interim consolidated financial statements.

On behalf of the Board of Directors:

“Signed”

Edward Bereznicki
Director

“Signed”

Todd Holmstrom
Director

First Helium Inc.

Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

Cdn\$ (unaudited)

	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022
REVENUES				
Petroleum revenue (Note 9)	303,604	1,239,801	929,945	7,503,911
Royalties	(40,839)	(166,354)	(162,832)	(2,218,882)
	262,765	1,073,447	767,113	5,285,029
EXPENSES				
Operating expense	111,917	397,773	388,542	965,060
Transportation	39,200	209,763	114,982	634,501
Personnel	218,427	338,122	636,947	518,722
General and administrative	37,194	87,163	180,943	170,819
Investor relations and marketing	152,823	181,715	431,080	573,421
Professional fees	40,139	30,877	149,837	130,832
Software and office	54,248	69,819	168,836	187,848
Interest expense (income)	(7,385)	(12,087)	4,580	(74,453)
Share-based compensation (Note 7)	37,425	96,891	147,379	367,932
Depletion and amortization (Note 5 and 11)	274,736	157,400	832,208	1,638,549
Accretion expense (Note 6)	11,730	8,918	31,491	25,839
	970,454	1,566,354	3,086,825	5,139,070
Net and comprehensive (loss) income	(707,689)	(492,907)	(2,319,712)	145,959
Net (loss) income per share				
- basic and diluted	(0.01)	(0.00)	(0.02)	0.01
Weighted average shares				
- basic and diluted	87,059,353	75,132,396	87,059,353	74,956,022

See accompanying notes to the interim consolidated financial statements.

Interim Consolidated Statements of Changes in Shareholders' Equity

	Shareholders' capital	Contributed surplus	Deficit	Total Equity
Balance at March 31, 2022	\$ 17,411,527	1,457,981	(2,113,246)	\$ 16,756,262
Exercise of warrants	1,678,777	(69,445)	-	1,609,332
Exercise of options	16,298	(7,548)	-	8,750
Issued from private placement, net	2,361,589	33,622	-	2,395,211
Share-based compensation	-	367,932	-	367,932
Net income for the period	-	-	145,959	145,959
Balance at December 31, 2022	\$ 21,468,191	1,782,542	(1,967,287)	21,283,446

	Shareholders' capital	Share subscription advance	Contributed surplus	Deficit	Total Equity
Balance at March 31, 2023	\$ 21,403,822	-	1,923,456	(9,046,154)	14,281,124
Share subscription received in advance	-	2,146,200	-	-	2,075,628
Share issue cost	(70,572)	-	-	-	(70,572)
Share-based compensation	-	-	147,379	-	147,379
Net (loss) for the period	-	-	-	(2,319,712)	(2,319,712)
Balance at December 31, 2023	\$ 21,333,250	2,146,200	2,070,835	(11,365,866)	14,184,419

See accompanying notes to the interim consolidated financial statements.

First Helium Inc.**Interim Consolidated Statements of Cash Flows**

Cdn\$ (unaudited)

	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022
OPERATING ACTIVITIES				
Net (loss) income	(707,689)	(492,907)	(2,319,712)	145,959
Items not involving cash:				
Share-based compensation	37,425	96,891	147,379	367,932
Depletion (Note 5)	251,000	157,400	761,000	1,638,549
Amortization (Note 11)	23,736	-	71,208	-
Accretion expense (Note 6)	11,730	8,918	31,491	25,839
	(383,798)	(229,698)	(1,308,634)	2,178,279
Changes in non-cash working capital (Note 12)	180,260	(800,674)	(193,849)	1,017,296
	(203,538)	(1,030,372)	(1,502,483)	3,195,575
FINANCING ACTIVITIES				
Share subscriptions received in advance, net of issuance cost (Note 7)	90,628	2,395,211	2,075,628	2,395,111
Exercise of options and warrants	-	-	-	1,618,082
Changes in non-cash working capital (Note 12)	-	(990,000)	-	(990,000)
	90,628	1,405,211	2,075,628	3,023,293
INVESTING ACTIVITIES				
Expenditures on exploration & evaluation	(35,325)	-	(184,021)	(5,562,760)
Expenditures on property, plant & equipment	(51,054)	(978,589)	(158,648)	(4,377,203)
Lease payment (Note 11)	(23,736)	(7,912)	(71,207)	(7,912)
Change in long-term deposit (Note 6)	(47,395)	(81,085)	(60,842)	(108,883)
Changes in non-cash working capital (Note 12)	355,444	(45,706)	(115,480)	(17,908)
	197,934	(1,113,292)	(590,198)	(10,074,666)
Change in cash and cash equivalents	85,024	(738,453)	(17,053)	(3,855,798)
Cash and cash equivalents, start of period	63,197	2,413,128	165,274	5,530,473
Cash and cash equivalents, end of period	148,221	1,674,675	148,221	1,674,675

See accompanying notes to the interim consolidated financial statements.

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

First Helium Inc. ("First Helium" or the "Company") is a company focused on the exploration, development, and production of helium across western Canada. Petroleum and natural gas are produced as part of its operations. The Company was incorporated under the laws of the Province of British Columbia on May 10, 2016. On July 12, 2021, the Company began trading on the TSXV Exchange under the symbol HELI. Operations are conducted by First Helium's wholly-owned subsidiary, First Helium Alberta Inc. The address of the Company's corporate office is 550 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

The business of exploring for helium and petroleum and natural gas involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable helium operations. The continuance of the Company is dependent upon completion of the exploration and development properties, the discovery of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company earned \$0.9 million in revenues during the nine months ended December 31, 2023 and incurred a net loss of \$2.3 million. As at December 31, 2023, the Company has a working capital deficit of \$0.7 million and an accumulated deficit of \$11.4 million. Management will need additional debt or equity financing to maintain its development activities for the current fiscal year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to fund its exploration and development programs. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of business operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting, using accounting policies aligned with International Financial Reporting Standards ("IFRS"). The interim consolidated financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2023, which have been prepared in accordance with IFRS. The interim consolidated financial statements are presented in Canadian dollars, except when otherwise indicated. The distribution of these interim consolidated financial statements was authorized by the Company's Board of Directors on February 29, 2024.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements as at December 31, 2023 have been prepared following the same accounting policies as the annual consolidated financial statements as at March 31, 2023.

Reclassification

Certain prior period financial information has been reclassified to conform with the current year presentation, with no impact on net assets, and net and comprehensive loss.

4. EXPLORATION AND EVALUATION ("E&E") ASSETS

Cdn\$	Worsley Helium	Southern AB	Total
Balance, March 31, 2022	6,332,492	1,093,996	7,426,488
Transfer to property, plant & equipment	(2,930,915)	-	(2,930,915)
Additions	6,520,050	219,156	6,739,206
Balance, March 31, 2023	9,921,627	1,313,152	11,234,779
Additions	184,021	-	184,021
Balance, December 31, 2023	10,105,648	1,313,152	11,418,800

E&E assets of \$11.4 million consist of the Company's undeveloped land and exploration projects that have yet to be established as technically feasible and commercially viable. Additions of \$0.1 million represent seismic

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

evaluation cost. There were no indicators of impairment for the Company's exploration and evaluation assets as at March 31, 2023 and December 31, 2023.

On May 26, 2021, the Company entered into a Seismic Review and Option Agreement with a large land holder in southern Alberta. During the year ended March 31, 2022, the Company elected to extend the option on for a further two years until November 26, 2023, under pre-negotiated terms. The Company's technical team completed its geological and geophysical evaluation of the extended lands. The Company is negotiating to acquire certain lands within this agreement subject to a non-convertible overriding royalty of 17.5% for natural gas and 7% for helium, to pursue exploration in southern Alberta ("Southern Alberta").

5. PROPERTY, PLANT & EQUIPMENT ("PP&E")

Cdn\$	Worsley AB	Southern AB	Total
Balance, March 31, 2022	5,659,835	-	5,659,835
Additions	4,668,033	-	4,668,033
Transfer from E&E assets	2,930,915	-	2,930,915
Change in asset retirement obligations	296,993	-	296,993
Addition of right to use asset	168,494	-	168,494
Balance, March 31, 2023	13,724,270	-	13,724,270
Additions	158,648	-	158,648
Change in asset retirement obligations	22,685	-	22,685
Balance, December 31, 2023	13,905,603	-	13,905,603

Accumulated depletion and depreciation	Worsley AB	Southern AB	Total
Balance, March 31, 2022	(438,528)	-	(438,528)
Depletion and depreciation	(4,022,000)	-	(4,022,000)
Impairment	(4,230,000)	-	(4,230,000)
Balance, March 31, 2023	(8,690,528)	-	(8,690,528)
Depletion and depreciation	(761,000)	-	(761,000)
Amortization of right to use asset	(59,133)	-	(59,133)
Balance, December 31, 2023	(9,510,661)	-	(9,510,661)

Net carrying amount			
Balance, March 31, 2023	5,033,742	-	5,033,742
Balance, December 31, 2023	4,394,942	-	4,394,942

The calculation of depletion and depreciation expense for the nine months ended December 31, 2023 included estimated future development costs of \$2.6 million (March 31, 2023 - \$2.6 million) associated with proved and probable reserves in the core development area.

6. ASSET RETIREMENT OBLIGATIONS

	December 31, 2023	March 31, 2023
Balance, beginning of period	1,241,299	908,969
Liabilities incurred	-	128,268
Liabilities acquired	-	258,200
Change in estimates	22,685	(89,475)
Accretion expense	31,491	35,337
Balance, end of period	1,295,475	1,241,299
Expected to be incurred within one year	135,000	-
Expected to be incurred beyond one year	1,160,475	1,241,299

Abandonments are expected to occur between 2025 and 2045 and related costs will be funded mainly from the Company's cash provided by operating activities. The undiscounted amount required to settle the asset retirement obligations at December 31, 2023 is estimated to be \$1.2 million (as at March 31, 2023 - \$1.2 million). The liability for the expected cash flows, as reflected in the consolidated financial statements, has been inflated at 3.5% and discounted using a risk-free rate of 3.2% (March 31, 2023 - 3.0% and 2.9% respectively).

A long-term deposit is held with the Alberta Energy Regulator of \$0.4 million (March 31, 2023 - \$0.4 million).

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

7. SHAREHOLDERS' EQUITY

(a) Share capital

Authorized capital consists of an unlimited number of common shares ("common shares") with no par value.

	Nine months ended December 31, 2023		Year ended March 31, 2023	
	Shares	Amount \$	Shares	Amount \$
Balance, beginning of period	87,059,353	\$ 21,403,822	71,516,973	\$ 17,411,527
Share subscription in advance	-	2,146,200	-	-
Issued from private placement, cost	-	(70,572)	12,192,000	2,354,173
Exercise of warrants	-	-	3,325,380	1,621,824
Exercise of options	-	-	25,000	16,298
Balance, end of period	87,059,353	\$ 23,479,450	87,059,353	\$ 21,403,822

On December 29, 2022, the Company closed the non-brokered private placement of 12,192,000 units at a price of \$0.20 per share for gross proceeds of \$2,438,400 (\$2,354,173 net of issuance costs). Each unit consists of one common share and one common share purchase warrant ("Warrant"). The 12,192,000 Warrants issued are exercisable at a price of \$0.30 per common share and will expire on December 22, 2024. The Warrants will be subject to acceleration at the Company's election in the event that the common shares trade on the TSX Venture Exchange at a volume weighted-average price of \$0.40 or more per common share for any period of at least ten consecutive trading days.

During the year ended March 31, 2023, 3,325,380 shares were issued upon exercise of warrants for net proceeds of \$1.6 million. In connection with the issuance, a total of \$12,492 was reallocated from reserves to share capital. During year ended March 31, 2023, 25,000 shares were issued upon exercise of options for net proceeds of \$8,750. In connection with the issuance, a total of \$7,548 was reallocated from reserves to share capital.

During the nine months ended December 31, 2023, the Company received advances of \$2,146,200 in connection with equity financing, of which \$1,985,000 was from certain related parties. The total advances received of \$2,146,200 was presented under share subscriptions received in advance and will be transferred to share capital when the shares are issued.

(b) Warrants

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share, and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

	Number of warrants	WA exercise price
Balance, March 31, 2022	22,518,698	\$ 0.50
Granted	12,486,700	\$ 0.30
Exercised	(3,325,380)	\$ 0.48
Expired	(2,442,313)	\$ 0.39
Balance, March 31, 2023	29,237,705	\$ 0.41
Expired	(16,751,005)	\$ 0.50
Balance, December 31, 2023	12,486,700	\$ 0.30

Warrants by expiry date	Number of Warrants	Weighted average remaining (year)	Exercise Price per Warrant
2024-Dec-22	12,486,700	1.0	\$ 0.30
Balance	12,486,700	1.0	\$ 0.30

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

(c) Options

Pursuant to the Company's stock option plan, the Company may grant options to purchase common shares to officers, directors, employees, and consultants to a maximum of 10% of outstanding common shares of the Company. Options have expiry terms set by the Board set at the time of grant and shall not be more than ten years after the grant date. Vesting terms are as below. The Board may alter, amend or revise the terms and conditions of the stock option plan or any outstanding stock options.

As at December 31, 2023 and March 31, 2023, a balance of 5,925,000 stock options were outstanding with an average remaining life of 2.4 years. All tranches of the options have an exercise price of the options is \$0.35 per share. Majority of the options vest 25% on grant date and 25% at each anniversary. The tranche of options granted to certain consultants on May 27, 2021 have an exercise price of \$0.35 per share and expire three years from date of grant. This tranche of options vest equally in three tranches every six months from May 27, 2021. The following table summarizes the Company's stock option plan activity. The following table summarizes the Company's stock option plan activity.

	Nine months ended December 31, 2023		Year ended March 31, 2023	
	Number of average exercise Options	Weighted price	Number of Options	Weighted average exercise price
Outstanding, beginning of period	5,925,000	\$ 0.35	6,037,500	\$ 0.35
Forfeited / Expired	-	-	(87,500)	\$ 0.35
Exercised	-	-	(25,000)	\$ 0.35
Outstanding, end of period	5,925,000	\$ 0.35	5,925,000	\$ 0.35
Exercisable, end of period	4,481,250	\$ 0.35	3,037,500	\$ 0.35

Options by grant date and expiry	Options outstanding	Options exercisable	Weighted average remaining (year)	Exercise Price per Option
2021-May-27 expiry 2026-May-27	5,675,000	4,256,250	2.4	\$ 0.35
2021-May-27 expiry 2024-May-27	150,000	150,000	0.4	\$ 0.35
2022-Jan-31 expiry 2026-May-27	100,000	75,000	2.4	\$ 0.35
	5,925,000	4,481,250	2.4	\$ 0.35

(d) Share-based compensation

The Company accounts for its share-based compensation plan using the fair value method. Share-based compensation is expensed over the vesting period with a corresponding increase to contributed surplus. During the nine months ended December 31, 2023, the Company recorded a share-based compensation expense of \$0.1 million (\$0.4 million for nine months ended December 31, 2022).

8. FINANCIAL INSTRUMENTS

Classification and Measurement

The Company's financial instruments are carried at amortized costs. The Company's financial instruments consists of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. As at December 31, 2023 and March 31, 2023, no significant differences existed between the carrying value of these financial instruments and their estimated fair values.

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

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in active markets in Level 1, either directly or indirectly observable.
- Level 3 – Valuations in this level are those with inputs for asset or liabilities that are not based on observable market data.

Risks Associated with Financial Assets and Liabilities

The Company is exposed to a number of different financial risks arising from normal course business exposures, as well as the Company's use of financial instruments. These risk factors include market risks relating to commodity prices, foreign currency risk and interest rate risk, as well as credit and liquidity risks.

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

(a) Commodity price risk

Commodity price risk is the risk that fair value of future cash flows will fluctuate with changes in commodity prices. The Company is engaged in helium, oil, and gas development and production activities in Canada and as a result has significant exposure to commodity price risk. Commodity prices for petroleum and natural gas are impacted by the availability of egress out of Western Canada, the relationship between the Canadian dollar and the United States dollar, and world economic events that dictate the levels of supply and demand. The Company may manage the risks associated with changes in commodity prices by entering into risk management contracts. There are no risk management contracts in place as of December 31, 2023. In 2023, First Helium has entered into a long-term helium supply agreement with a major global industrial gas supplier (the "Purchaser") to sell helium gas production from its Worsley helium property. The Company has agreed to sell to the Purchaser 80% with an ability to potentially sell up to 100% of its produced helium volumes, subject to monthly and annual volume quantities, in accordance with a specified per unit volume pricing.

(b) Currency risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Substantially all of the Company's petroleum revenues are conducted in Canada and are denominated in Canadian dollars. Canadian commodity prices are influenced by fluctuations in the Canadian to United States dollar exchange rate.

(c) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to the interest rate fluctuations on cash and cash equivalents. The Company may hold a portion of cash in short-term investments that earn variable rate of interest as part of its investment policy. All other financial liabilities, except for convertible debentures, are non-interest bearing. If interest rates had changed by 1% (i.e.100 basis points), assuming all other variables remain constant, the impact to net earnings would be immaterial.

(d) Credit risk

Credit risk is the potential financial loss to the Company if customers or counterparties to a financial instrument are unable to meet their contractual obligations. The majority of credit exposure on accounts receivable pertains to revenues and commodity tax receivable. The collection of accounts receivable may be affected by counterparty-specific issues or industry factors such as commodity price fluctuations and other economic conditions. Management believes the risk is mitigated by entering into transactions with reputable counterparties and partners when possible. When determining whether past due accounts are collectible, management assesses the credit worthiness and past payment history of the counterparties, as well as the nature of the past due amount.

At December 31, 2023, 81% of the total outstanding accounts receivable pertain to receivables from petroleum purchasers (March 31, 2023 – 65%). As of December 31, 2023, \$nil of the accounts receivable balance has been outstanding greater than 90 days (March 31, 2023 - \$5,741) with all amounts estimated to be collectable.

As at:	December 31, 2023	March 31, 2023
Revenue	79,885	115,650
GST and other receivable	19,071	62,018
Accounts receivable	98,956	177,668

9. PETROLEUM REVENUE

The Company sells its production pursuant to variable-price contracts. The transaction price for these contracts is based on commodity prices adjusted for quality and other factors. The following table provides a summary of its revenue streams:

	Three months ended		Nine months ended	
	2023	December 31, 2022	2023	December 31, 2022
Light oil	303,604	1,239,801	929,945	7,503,911
Total	303,604	1,239,801	929,945	7,503,911

10. RELATED PARTY TRANSACTIONS

Key management personnel include officers and directors of the Company. The Company also provides compensation through participation in the stock option plan.

Notes to the Interim Consolidated Financial Statements

For the nine months ended December 31, 2023 and 2022

(All amounts in Canadian dollars unless otherwise indicated) (unaudited)

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Accounting and compliance ⁽ⁱ⁾	34,500	46,500	103,500	103,500
Management fees ⁽ⁱⁱ⁾	202,500	278,000	607,500	614,000
Investor relations ⁽ⁱⁱⁱ⁾	-	30,000	-	90,000
Share-based compensation	32,186	83,065	126,747	315,500
Total	269,186	437,565	837,747	1,123,000

(i) Accounting and compliance fees were paid to a company controlled by a spouse of an officer of the Company in the amount of \$103,500 for the nine months ended December 31, 2023 (nine months ended December 31, 2022 - \$103,500).

(ii) For the nine months ended December 31, 2023, the Company incurred \$607,500 (nine months ended December 31, 2022 - \$614,000) to various officers and directors of the Company.

(iii) During the nine months ended December 31, 2022, the Company incurred general and administrative expense of \$90,000 and nil in the current fiscal year to date December 31, 2023 to a former officer of the Company for investor relations and corporate development.

The balance payable to related parties as at December 31, 2023 was \$220,407 (as at March 31, 2023 - \$71,000). During the nine months ended December 31, 2023, proceeds of \$1,985,000 were received from certain related parties to be included in the next financing completed by the Company. The funds were used for general corporate purposes and are not expected to be repaid.

11. FINANCIAL LEASE

The Company has an office lease agreement to November 30, 2024. The lease was recorded as a financial liability and a right of use asset in the consolidated balance sheet.

	December 31, 2023	March 31, 2023
Balance, start of year	140,986	-
Additions	-	165,494
Payments	(71,207)	(31,648)
Accretion expense	12,075	7,140
Balance, end of period	81,854	140,986

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Changes in non-cash working capital:				
Accounts receivable	84,738	(1,239,348)	78,712	147,774
Prepays and deposits	(72,483)	(43,918)	(60,610)	(39,250)
Accounts payable and accrued liabilities	523,449	(553,114)	(327,431)	(208,019)
	535,704	(1,836,380)	(309,329)	(99,495)
Operating activities	180,260	(800,674)	(193,849)	1,017,296
Financing activities	-	(990,000)	-	(990,000)
Investing activities	355,444	(45,706)	(115,480)	(126,791)
Total	535,704	(1,836,380)	(309,329)	(99,495)

Interest expense (paid) in the nine months ended December 31, 2023 was (\$4,580) (interest received in the nine months ended December 31, 2022 was \$74,296). Subscription receivable of \$990,000 relate to the equity financing which closed on December 29, 2022. Funds were received in January 2023.

13. SUBSEQUENT EVENT

The Company intends to complete a non-brokered private placement (the "Private Placement") whereby the Company will issue up to 60,000,000 Units (the "Units") for total gross proceeds of up to \$3,000,000. The Company intends to use the net proceeds from the Private Placement for the development and exploration activities and for working capital and general corporate purposes. The closing of the Private Placement is expected to be prior to the end of fiscal 2024 and are subject to the receipt of all necessary regulatory approvals. All securities issued pursuant to the Private Placement will be subject to a four-month hold period in accordance with applicable Canadian securities laws.