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 three months ended June 30, 2023 have not been reviewed by the Company's auditors.

First Helium Inc.
Interim Consolidated Balance Sheets
Cdn$ (unaudited)

As at		June 30, 2023		March 31, 2023
ASSETS				
Current assets				
Cash and cash equivalents	$	**116,115**	$	165,274
Accounts receivable (Note 8)		**159,214**		177,668
Prepaids and deposits		**47,568**		88,068
		322,897		431,010
Long-term deposit (Note 6)		**375,182**		366,594
Exploration and evaluation (Note 4)		**11,366,600**		11,234,779
Property, plant and equipment (Note 5)		**4,758,491**		5,033,742
	$	**16,823,170**	$	17,066,125
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**668,376**	$	1,402,716
Financial lease liability – current (Note 11)		**83,410**		80,359
		751,786		1,483,075
Financial lease liability (Note 11)		**38,595**		60,627
Asset retirement obligations (Note 6)		**1,238,806**		1,241,299
		2,029,187		2,785,001
SHAREHOLDERS' EQUITY				
Shareholders' capital (Note 7)		**21,403,822**		21,403,822
Share subscriptions advance (Note 7)		**1,335,000**		-
Contributed surplus (Note 7)		**1,995,985**		1,923,456
Deficit		**(9,940,824)**		(9,046,154)
		14,793,983		14,281,124
	$	**16,823,170**	$	17,066,125

Nature and continuance of operations (Note 1)
Subsequent event (Note 7)

See accompanying notes to the interim consolidated financial statements.

On behalf of the Board of Directors:

“Signed”	*“Signed”*
Edward Bereznicki	Todd Holmstrom
Director	Director

First Helium Inc.

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

Cdn$ (unaudited)

	Three months ended June 30, 2023	Three months ended June 30, 2022
REVENUES		
Petroleum revenue (Note 9)	**360,741**	4,272,508
Royalties	**(85,480)**	(1,331,807)
	275,261	2,940,701
EXPENSES		
Operating expense	**95,881**	362,679
Transportation	**43,836**	312,416
General and administrative	**281,198**	119,389
Investor relations and marketing	**164,775**	208,148
Professional fees	**95,513**	66,556
Software and office	**58,229**	37,814
Interest expense (income)	**14,163**	(24,165)
Share-based compensation (Note 7)	**72,529**	174,149
Depletion & amortization (Note 5 and 11)	**334,736**	711,149
Accretion expense (Note 6)	**9,071**	7,412
	1,169,931	1,975,547
Net and comprehensive (loss) income	**(894,670)**	965,154
Net (loss) income per share - basic and diluted	**(0.01)**	0.01
Weighted average shares - basic and diluted	**87,059,353**	74,230,803

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
Share-based compensation	-	174,149	-	174,149
Net income for the period	-	-	965,154	965,154
Balance at June 30, 2022	$ 19,106,602	1,555,137	(1,148,092)	19,513,647

	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	-	1,335,000	-	-	1,335,000
Share-based compensation	-	-	72,529	-	72,529
Net (loss) for the period	-	-	-	(894,670)	(894,670)
Balance at June 30, 2023	**$ 21,403,822**	**1,335,000**	**1,995,985**	**(9,940,824)**	**14,793,983**

See accompanying notes to the interim consolidated financial statements.

First Helium Inc.
Interim Consolidated Statements of Cash Flows
Cdn$ (unaudited)

	Three months ended June 30, 2023	Three months ended June 30, 2022
OPERATING ACTIVITIES		
Net (loss) income	**(894,670)**	965,154
Items not involving cash:		
Share-based compensation	**72,529**	174,149
Depletion & amortization	**334,736**	711,149
Accretion expense	**9,071**	7,412
	(478,334)	(1,521,416)
Changes in non-cash working capital (Note 12)	**(255,010)**	(1,882,375)
	(733,344)	(24,511)
FINANCING ACTIVITIES		
Share subscriptions received in advance (Note 7)	**1,335,000**	-
Exercise of options and warrants	**-**	1,618,082
	1,335,000	1,618,082
INVESTING ACTIVITIES		
Expenditures on exploration & evaluation	**(131,821)**	(277,357)
Expenditures on property, plant & equipment	**(66,294)**	(831,161)
Lease payment (Note 11)	**(23,736)**	-
Change in long-term deposit	**(8,588)**	(106,328)
Changes in non-cash working capital (Note 12)	**(420,376)**	-
	(650,815)	(1,214,846)
Change in cash and cash equivalents	**(49,159)**	378,725
Cash and cash equivalents, start of period	**165,274**	5,530,473
Cash and cash equivalents, end of period	**116,115**	5,909,198

See accompanying notes to the interim consolidated financial statements.

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 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 $0.4 million in revenues during the three months ended June 30, 2023 and incurred a net loss was $0.9 million. As at June 30, 2023, the Company has a working capital deficit of $0.3 million and an accumulated deficit of $9.9 million. Management will need additional debt or equity financing to maintain its development activities for the current fiscal year.

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 August 29, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements as at June 30, 2023 have been prepared following the same accounting policies as the annual consolidated financial statements as at March 31, 2023.

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	131,821	-	131,821
Balance, June 30, 2023	**10,053,448**	**1,313,152**	**11,366,600**

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 costs incurred on E&E assets during the period including costs of seismic evaluation cost. There were no indicators of impairment for the Company's exploration and evaluation assets as at March 31, 2023 and June 30, 2023.

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

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 is now engaged in a more detailed geological and geophysical evaluation of the extended lands. In connection with the acquisition of Warner-Jenson Property, the Company is subject to a non-convertible overriding royalty of 5% for all substances excluding helium and 2% for helium.

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	66,294	-	66,294
Change in asset retirement obligations	(11,564)	-	(11,564)
Balance, June 30, 2023	**13,779,000**	**-**	**13,779,000**

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	(311,000)	-	(311,000)
Amortization right to use asset	(18,981)	-	(18,981)
Balance, June 30, 2023	**(9,020,509)**	**-**	**(9,020,509)**

Net carrying amount			
Balance, March 31, 2023	5,033,742	-	5,033,742
Balance, June 30, 2023	**4,758,491**	**-**	**4,758,491**

The calculation of depletion and depreciation expense for the three months ended June 30, 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. The Company's cash generating units are aligned to its core producing areas with Worsley oil separate from Worsley helium assets.

6. ASSET RETIREMENT OBLIGATIONS

	June 30, 2023	March 31, 2023
Balance, beginning of period	**1,241,299**	908,969
Liabilities incurred	**-**	128,268
Liabilities acquired	**-**	258,200
Change in estimates	**(11,564)**	(89,475)
Accretion expense	**9,071**	35,337
Balance, end of period	**1,238,806**	1,241,299
Expected to be incurred within one year	**100,000**	-
Expected to be incurred beyond one year	**1,138,806**	1,241,299

Abandonments are expected to occur between 2024 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 June 30, 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 3.0% and discounted using a risk-free rate of 2.9% (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).

(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.

	Three months ended June 30, 2023 Shares		Amount $	Year ended March 31, 2023 Shares		Amount $
Balance, beginning of period	**87,059,353**	**$**	**21,403,822**	71,516,973	$	17,411,527
Issued from private placement	**-**		**-**	12,192,000		2,354,173
Share subscription in advance	**-**		**1,335,000**			-
Exercise of warrants	**-**		**-**	3,325,380		1,621,824
Exercise of options	**-**		**-**	25,000		16,298
Balance, end of period	**87,059,353**	**$**	**22,738,822**	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. 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 three months ended June 30, 2023, the Company received advances of $1,335,000 in connection with equity financing from certain related parties. The total advances received of $1,335,000 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
Balance, June 30, 2023	**29,237,705**	**$**	**0.41**

Warrants by expiry date	**Number of Warrants**	**Weighted average remaining (year)**		**Exercise Price per Warrant**
2023-Jul-05	6,853,646	0.0	$	0.50
2023-Jul-08	8,529,609	0.0	$	0.50
2023-Jul-12	512,906	0.0	$	0.35
2023-Jul-15	854,844	0.0	$	0.50
2024-Dec-22	12,486,700	1.5	$	0.30
	29,237,705	**1.5**	**$**	**0.41**

Subsequent to June 30, 2023 and as at the date of this report, warrants issued with expiry dates from July 5, 2023 to July 15, 2023 have been expired, leaving a balance of 12,486,700 with expiry of December 22, 2024 related to the December 2022 non-brokered private placement.

(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 June 30, 2023 and March 31, 2023, a balance of 5,925,000 stock options were outstanding with an average remaining life of three 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.

	Three months ended June 30, 2023			Year ended March 31, 2023		
	Number of Options		**Weighted average exercise 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	3,037,500	$	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	2,837,500	2.9	$	0.35
2021-May-27 expiry 2024-May-27	150,000	150,000	0.9	$	0.35
2022-Jan-31 expiry 2026-May-27	100,000	50,000	2.9	$	0.35
	5,925,000	3,037,500	2.9	$	0.35

(d) Share-based compensation

The Company accounts for its share-based compensation plan using the fair value method. Share-base compensation is expensed over the vesting period with a corresponding increase to contributed surplus. During the three months ended June 30, 2023, the Company recorded a share-based compensation expense of $0.1 million ($0.2 million for three months ended June 30, 2022).

8. FINANCIAL INSTRUMENTS

Classification and Measurement

The Company's financial instruments, except the Warrants, 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 June 30, 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.

(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 June 30, 2023. Subsequent to June 30, 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 June 30, 2023, 46% of the total outstanding accounts receivable pertain to receivables from petroleum purchasers (March 31, 2023 – 65%). As of June 30, 2023, $5,741 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:	**June 30, 2023**	March 31, 2023
Revenue	**72,902**	115,650
GST and other receivable	**86,312**	62,018
Accounts receivable	**159,214**	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 contracts to sell the Company’s crude oil have varying terms not longer than one year. The following table provides a summary of its revenue streams:

	Three months ended June 30, 2023	Three months ended June 30, 2022
Light oil	**360,741**	4,272,508
Total	**360,741**	4,272,508

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

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.

	Three months ended June 30, 2023	Three months ended June 30, 2022
Accounting and compliance (i)	**34,500**	28,500
Management fees (ii)	**202,500**	174,000
Investor relations (iii)	**-**	30,000
Share-based compensation	**62,375**	147,752
Total	**299,375**	380,252

(i) Accounting and compliance fees were paid to a company controlled by a spouse of an officer of the Company in the amount of $34,500 for the three months ended June 30, 2023 (three months ended June 30, 2022 - $28,500).

(ii) For the three months ended June 30, 2023, the Company incurred $202,500 (three months ended June 30, 2022 - $174,000) to various officers and directors of the Company.

(iii) During the three months ended June 30, 2022, the Company incurred general and administrative expense of $30,000 and nil in the current fiscal year to date June 30, 2023 to a former officer of the Company for investor relations and corporate development.

The balance payable to related parties as at June 30, 2023 was $86,543 (March 31, 2023 - $71,000). During the three months ended June 30, 2023, proceeds of $1,335,000 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 office lease has been recorded as a financial liability and a right of use asset in the consolidated balance sheet.

Lease obligation	**June 30, 2023**	March 31, 2023
Balance, start of year	**140,986**	-
Additions	**-**	165,494
Payments	**(23,736)**	(31,648)
Accretion expense	**4,755**	7,140
Balance, end of year	**122,005**	140,986

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended June 30, 2023	Three months ended June 30, 2022
Changes in non-cash working capital:		
Accounts receivable	**18,455**	286,834
Prepaids and deposits	**40,500**	(782,640)
Accounts payable and accrued liabilities	**(734,340)**	(1,386,569)
	(675,385)	(1,882,375)
Operating activities	**(255,010)**	(1,882,375)
Investing activities	**(420,376)**	-
Total	**(675,386)**	(1,882,375)

Interest paid in the three months ended June 30, 2023 was 22,752 ($nil for the three months ended June 30, 2022). Taxes paid in the current fiscal year was nil ($nil for the three months ended June 30, 2022).