



TSX-V: HELI  
OTCQX: FHELF  
FRA: 2MC

# PROJECT-DRIVEN HELIUM DISCOVERY, DEVELOPMENT & PRODUCTION

INVESTOR DECK | MAY 2023

# CAUTIONARY NOTES & FORWARD LOOKING STATEMENTS

The information contained herein has been prepared to assist interested parties in making their own evaluation of First Helium Inc (“First Helium” or the “company”) and does not purport to contain all of the information that a prospective investor or partner may desire. In all cases, interested parties should conduct their own investigation and analysis of First Helium. Neither the company nor any of its affiliates, directors, officers or employees make any representation or warranty as to the accuracy or completeness of the information presented. This includes, without limitation, any estimates or projections, and neither the company nor its affiliates, directors, officers or employees shall have any liability for any statements (expressed or implied) contained in, or for any omissions from, this presentation or any other written or oral communications transmitted to the recipient hereof in the course of its evaluation of the company, nor should anything contained herein be relied upon as a promise, representation or warranty regarding future events or performance of the company. Moreover, the information contained herein speaks as of the date hereof; the company undertakes no obligation to update any such information, except as required by law. The only statements that will have any legal effect will be those specifically contained or referred to, and then only to the extent provided, in definitive legal documentation.

## **Forward looking statements and cautionary notes**

This presentation contains “forward-looking information” within the meaning of the Canadian securities laws. Statements, other than statements of historical fact, may constitute forward-looking information and include, without limitation, statements about: anticipated timing and content of upcoming work programs, anticipated production timelines and cashflow, geological interpretations, receipt of property titles, and potential helium recovery processes; anticipated dates for receipt of permits, approvals and other milestones; anticipated results of drilling programs, feasibility studies and other analyses; anticipated availability and terms of future financing; future production, operating and capital costs, operating or financial performance, completion of detailed Worsley facility engineering and design, and terms and completion of future financings. Information concerning potential contingent helium resource estimates also may be deemed to be forward-looking information.

With respect to the forward-looking information contained in this presentation, the company has made numerous assumptions including, without limitation, that the geological, engineering, financial and economic advice that the company has received is reliable, and is based upon practices and methodologies which are consistent with industry standards. While the company considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause the company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results, production tests and the geology, continuity and quality of petroleum and helium bearing reservoirs; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for co-operation of government agencies in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; increased costs and restrictions on operations due to compliance with environmental and other requirements; increased costs affecting the gas industry; increased competition in the gas industry for properties, qualified personnel and management; and Covid-19 related costs. To the extent any forward-looking information in this presentation constitutes “future oriented financial information” or “financial outlooks” within the meaning of the applicable securities laws, the purpose of such information being provided is to demonstrate the potential of First Helium and investors are cautioned that this information may not be appropriate for any other purpose.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

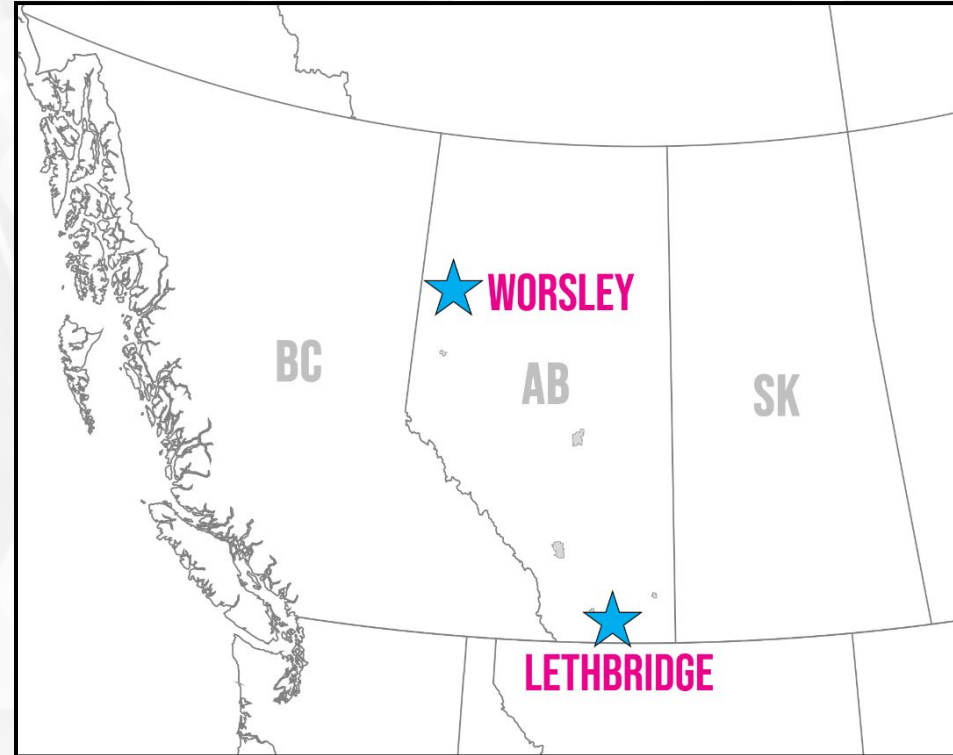
# TWO PREMIUM HELIUM PROJECTS

## WORSLEY AREA

- 60,000 Acres on Core Project, 100%-Owned, multiple drill locations
- "15-25" Discovery Well Tested 1.3% Helium, 3rd Party Evaluation
- Peer-group-leading helium resource, target production early 2024
- Five-year, take-or-pay, firm price helium offtake sales agreement, with 20% volume availability for direct/alternative sales strategies
- "14-23" Horizontal Helium Target Sets Up Potential Regional Play

## LETHBRIDGE AREA

- 276,000 Acres
- 60% Covered by 3D Seismic
- First Drill Location Ready for 2023 Drilling - Greater Knappen Area
- Active Helium Area - Near Existing Helium Production and New Discoveries



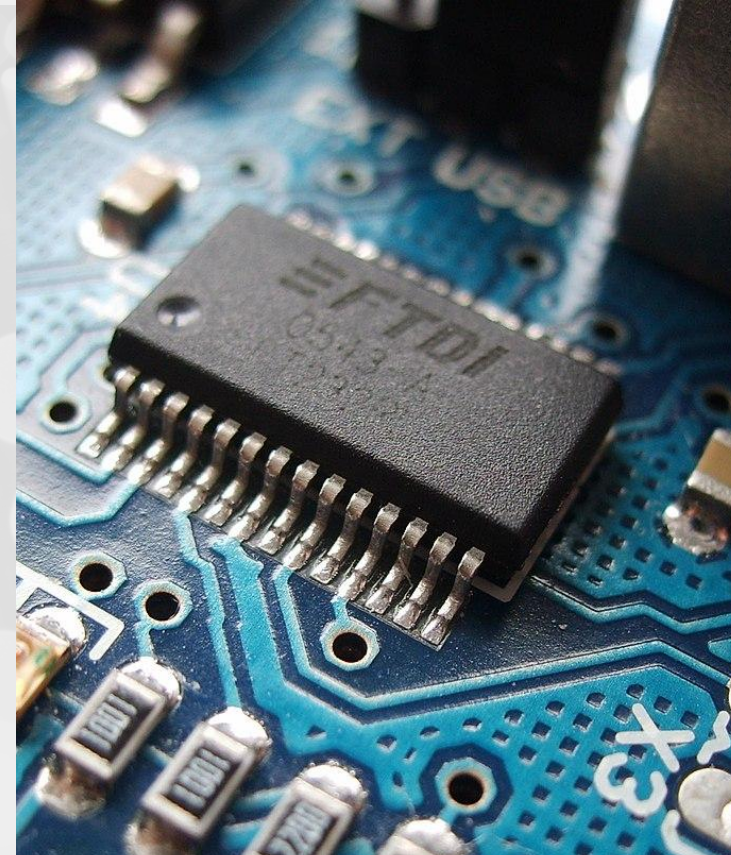
# SHARE CAPITALIZATION

COMMON SHARES OUTSTANDING AS AT MAY 1, 2023

<b>Basic</b> (MM)	<b>87.1</b>
<b>Options</b> (MM)	<b>6.0</b>
<b>Warrants</b> (MM)	<b><u>29.8</u></b>
<b>Fully-Diluted</b> (Weighted Average Exercise Price \$0.39) (MM)	<b>122.9</b>



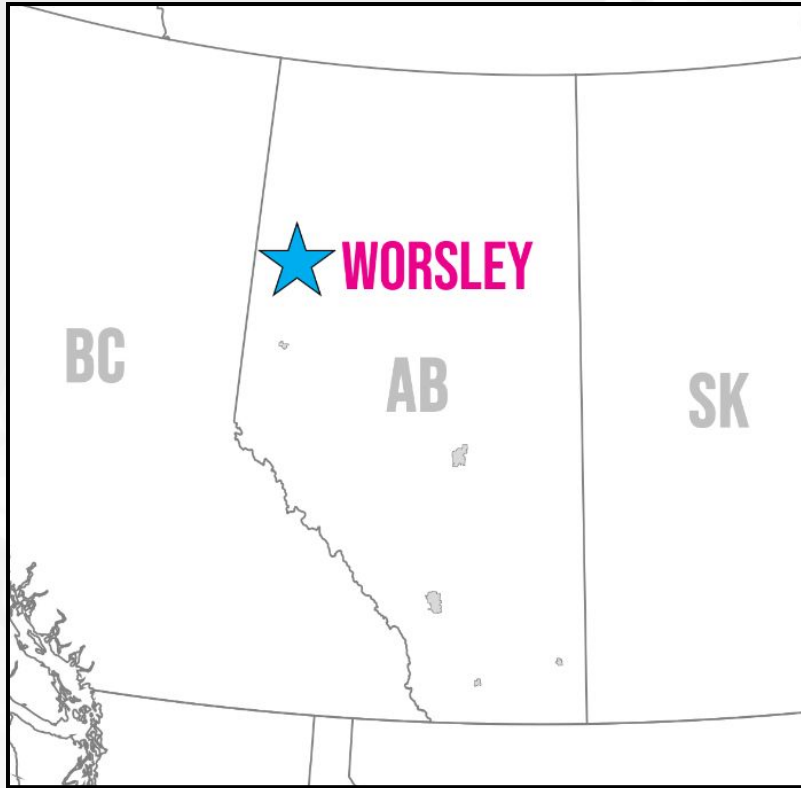
Management, Directors, Advisors and Key Shareholders collectively own or control ~28% of the Company's outstanding common shares



**NOTE: All \$ figures throughout presentation are in Canadian Dollars unless otherwise specified  
"M" = Thousands, and "MM" = Millions**

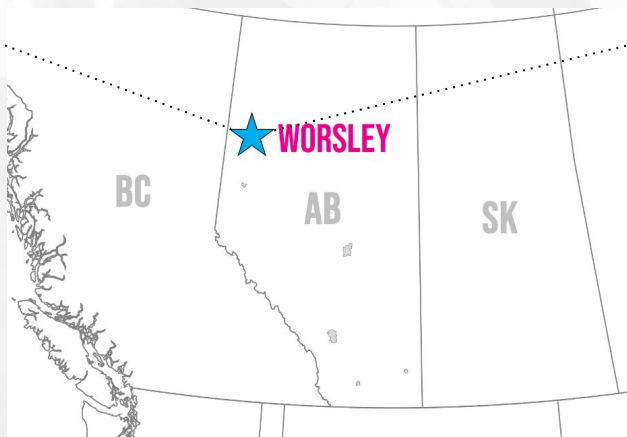
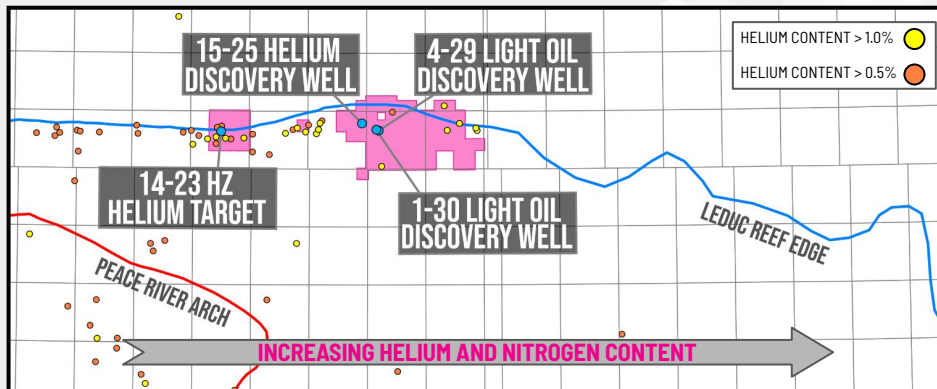


# WORSLEY AREA EXPLORATION



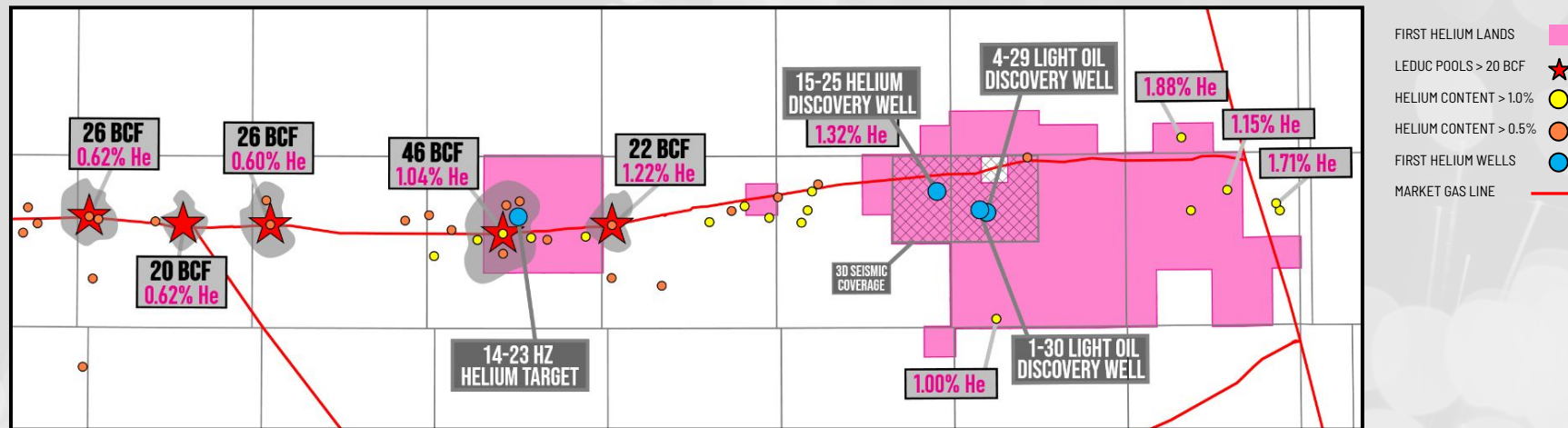
- Historically active region for hydrocarbon exploration and development
- Multi-commodity presence enhances value proposition and mitigates helium exploration risk
- In late 1990's, discovery of high-nitrogen, helium-rich natural gas, which did not meet sales pipeline specifications, stalled Natural Gas Exploration Drilling in area
  - *Creates helium exploration opportunity*
- Discovery Well 15-25 Drilled in 1999 for Natural Gas and Shut-In, contained 1.3% Helium and ~26% Nitrogen content

# WORSLEY AREA POTENTIAL



- Worsley Leduc Reef Trend has over 270 Leduc Formation well penetrations
- Helium Content Increases from West to East, along with Nitrogen content
  - *Few deep well penetrations to East create Helium exploration opportunity*
- Geology Remains Uninterrupted - Reef Trend Continues to the East
- Management estimates ~20% of productive Leduc Wells to be oil producers

# WORSLEY UNDEVELOPED LANDS - HELIUM RICH AREA



First Helium holds crown mineral rights to **60,000 Core Acres** in the prolific Worsley area

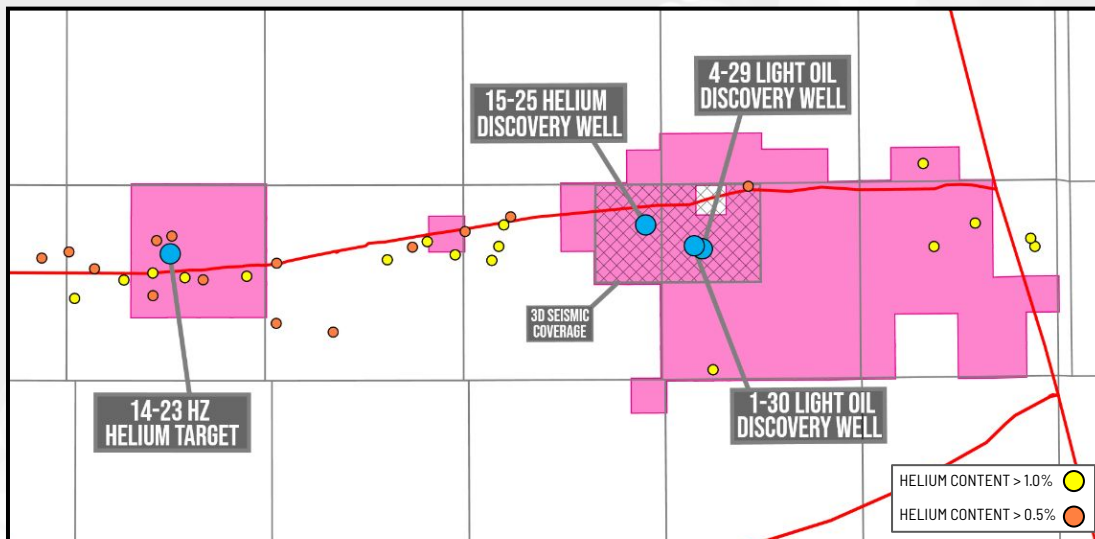


Multiple formations in the area contain economic concentrations of helium



Based on Leduc Pools ★ as shown, Management estimates **1 bcf of helium has been historically produced, but not recovered** from the marketed natural gas stream in area

# WORSLEY DISCOVERY WELLS



## HELIUM DISCOVERY WELL 15-25

- 1.3% HELIUM
- 10 DAY FLOW TEST @2MMCF/D
- 65% NATURAL GAS & 12 BBLS/MMCF OF CONDENSATE
- CONFIRMS 3D SEISMIC MODEL

## HELIUM TARGET WELL 14-23

- HORIZONTAL WELL
- CASED, AWAITING COMPLETION
- SUCCESSFUL TEST SETS UP POTENTIAL REGIONAL PLAY

## LIGHT OIL DISCOVERY WELL 1-30

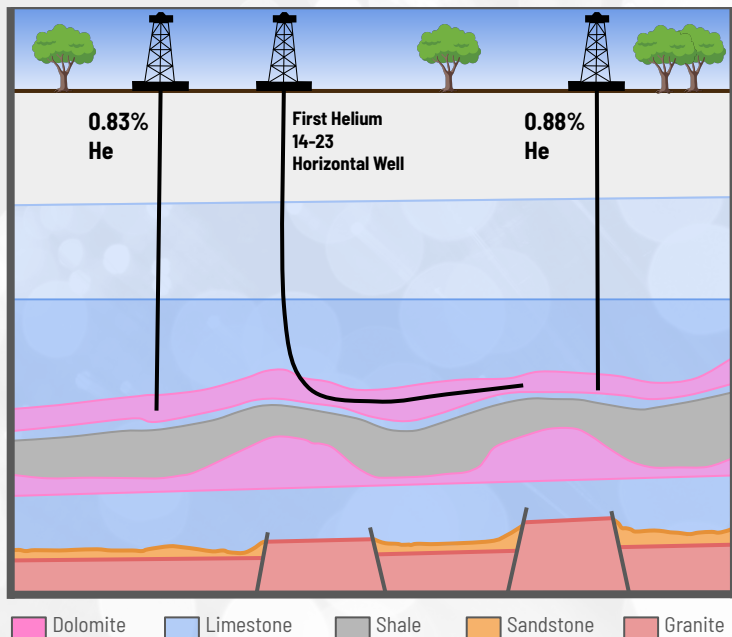
- DRILLED ON 3D SEISMIC
- ON-STREAM JANUARY 23, 2022
- WELL PAY-OUT < 2 MONTHS

## LIGHT OIL DISCOVERY WELL 4-29

- DRILLED ON 3D SEISMIC
- ON-STREAM APRIL 8TH, 2022

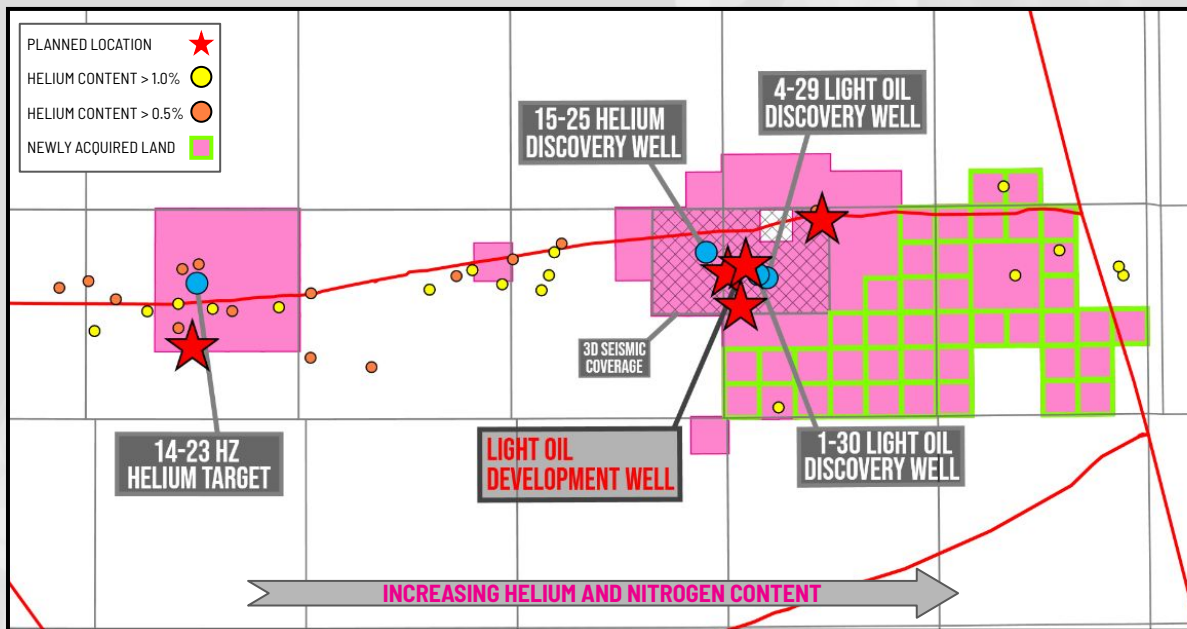


# "14-23" HORIZONTAL WELL HELIUM TARGET



- "14-23" Well successfully drilled and cased August 2022
- Strategically targets reservoir with known helium concentrations of 0.83% and 0.88%
- Timing of Completion and Testing to be coordinated with helium gas processing installation at Worsley
- Sets up for potential regional play on Company held lands

# WORSLEY PLANNED LOCATIONS



## Strategic Land Acquisition

- In August '22, First Helium acquired an **additional 25,600 acres** of land contiguous with current holdings
- This acquisition solidifies and concentrates the Company's position on the Worsley Leduc Trend
- A **5,200 acre 3D data acquisition program completed in April 2023** will potentially yield a number of additional drill locations - seismic key in identifying 15-25, 1-30, and 4-29 well drilling locations

- Well understood geology reduces exploration risk
- 4 additional drill locations identified on existing 3D seismic along with one re-entry candidate for the 2023 drill program
- Numerous locations identified on 2D seismic over Company lands - to be further defined by 3D seismic
- First Helium currently has approximately 9,500 acres of 3D seismic along the trend which has been instrumental in drill location selection and exploration success

# ECONOMICS OF 15-25 HELIUM WELL

\$ Canadian Unless Otherwise Shown

**CURRENT HELIUM MARKET**

<b>Helium Price \$/mcf</b>	<b>\$400</b>	<b>\$500</b>	<b>\$600</b>	<b>\$700</b>
<b>Revenue per Raw Gas mcf Produced</b>	<b>\$8.36</b>	<b>\$9.62</b>	<b>\$10.89</b>	<b>\$12.15</b>
<b>Netback per Raw Gas mcf Produced</b>	<b>\$4.97</b>	<b>\$6.15</b>	<b>\$7.33</b>	<b>\$8.15</b>
<b>Forecast Revenue per Year (MM's)</b>	<b>\$6.1</b>	<b>\$7.0</b>	<b>\$7.9</b>	<b>\$8.9</b>
<b>Forecast Project Level Cash Flow per Year (MM's)</b>	<b>\$3.6</b>	<b>\$4.5</b>	<b>\$5.3</b>	<b>\$6.2</b>

**Future Flat Decline Profile of Over 10 Years Helps Fund Growth and Positions for Possible Dividend Paying Company Model**

## Assumptions

- On-stream production target early 2024, includes natural gas and natural gas liquids
- Well will be Produced at 2 mmcf/d Raw Gas with Flat Decline for >10 Years per Sproule Independent Evaluation
- Natural Gas Pricing **\$4.64 per mmbtu**, based on Sproule August 2022 Price Forecast

# FIRST HELIUM CONTINGENT RESOURCES REPORT | “15 - 25” Discovery Well

Prepared by Sproule Associates Ltd. March 31, 2021<sup>1</sup>

VOLUMES		
Helium mmcf	Natural Gas mmcf	Natural Gas Liquids mbbl
323	12,632	372

NET PRESENT VALUES		
0% \$MM	5% \$MM	10% \$MM
\$78,282	\$32,158	\$15,243

## Sproule Report Unrisked Best Estimate Contingent Resources

- Capital required: \$10.5MM for single well facility to produce Discovery Well
- Helium pricing: constant \$340/mcf adjusted for transportation
- Other product pricing: Sproule March 31, 2021 forecast

## Sensitivity to Helium Pricing

NPV 10%				
\$300/mcf \$MM	\$340/mcf \$MM	\$400/mcf \$MM	\$500/mcf \$MM	\$600/mcf \$MM
\$12.1	\$15.2	\$19.9	\$27.7	\$35.5

BASE CASE

CURRENT HELIUM MARKET

## Sproule Unrisked Best Estimate Contingent Resources

- Sensitivity to helium pricing prepared by First Helium
- Helium pricing in Canadian Dollars

## Sproule Risked Contingent Resource Estimates

- Low Estimate Helium 156 mmcf
- Best Estimate Helium 258 mmcf
- High Estimate Helium 325 mmcf

1. See First Helium's Final Prospectus dated June 28, 2021, filed on First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com) for additional information.



# WORSLEY PROJECT AREA PROPOSED DEVELOPMENT PLAN

Helium Price (\$/mcf)	\$300	\$400	\$500	\$600
<b>Drill &amp; Complete 3 Additional Wells</b> (\$MM) <small>INCREMENTAL CAPITAL</small>	\$8.4			
<b>Expand Facility for 3 Additional Wells</b> (\$MM) <small>INCREMENTAL CAPITAL</small>	\$16.0			
<b>Total Incremental Capital</b> (\$MM)	\$24.4			
<b>Total 4 Wells Risked Helium Resource</b> (mmcf)	775	775	775	775
<b>Total Revenue / Year</b> (\$MM)	\$18.0	\$21.6	\$25.3	\$29.0
<b>Total Project Level Cash Flow / Year</b> (\$MM)	\$12.7	\$16.2	\$19.7	\$23.1
<b>Total Before Tax NPV 10% (\$MM)</b>	\$62.1	\$88.6	\$115.1	\$141.6



Discovery Well 15-25  
**plus 3 additional wells** drilled in  
Worsley Project Area,  
Expand Facility for  
**4 wells total**



Each new well's  
production profile  
same as used for  
Discovery Well by  
Sproule in Contingent  
Resource Report with  
50% risk applied to  
the resource volumes

# WORSLEY HELIUM PROJECT



## HELIUM DISCOVERY WELL "15-25" UNDERPINS PROJECT DEVELOPMENT

- Ready to produce helium gas, pending installation of scalable, modular, processing facility.
- Sproule<sup>1</sup> Unrisked Contingent Resource "Best" Estimate of NPV10 \$15.2MM, and at current helium prices is over NPV10 \$25MM.



## UPSIDE DEVELOPMENT ON ADJACENT HELIUM PROSPECTIVE LANDS

- Historically active oil & gas exploration area with attractive helium levels across Trend.
- Additional drill locations and exploration upside potential across 100%-owned land base.
- 25,000+ acres of new exploration land acquired, contiguous with existing helium and oil discoveries.



## HELIUM PRODUCTION GROWTH VISIBILITY

- Preliminary engineering on helium processing facility completed, evaluating production strategy and financing alternatives.
- Helium sales offtake agreement in place, first 5 years firm pricing, take-or-pay, 20% of production available for direct or alternative sales strategies.
- On-stream 9-12 months from funding and kick-off.
- Natural gas gathering infrastructure in place to expedite on-stream timing.
- 14-23 Horizontal Well, potential helium target, cased for completion and testing.

# LETHBRIDGE EXPLORATION AREA

## RECOGNIZING THE HEAD-START VALUE OF EXISTING SEISMIC DATA



Evaluated over 880,000 contiguous acres of highly prospective land in Southern Alberta, including 230,00 acres of 3D seismic (the “Block”).



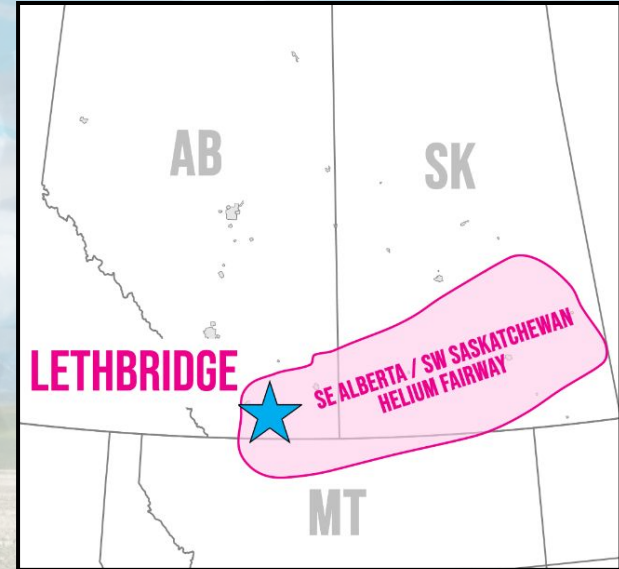
Southern Area is near known helium production - helium content is greater than 0.5% in a number of formations.



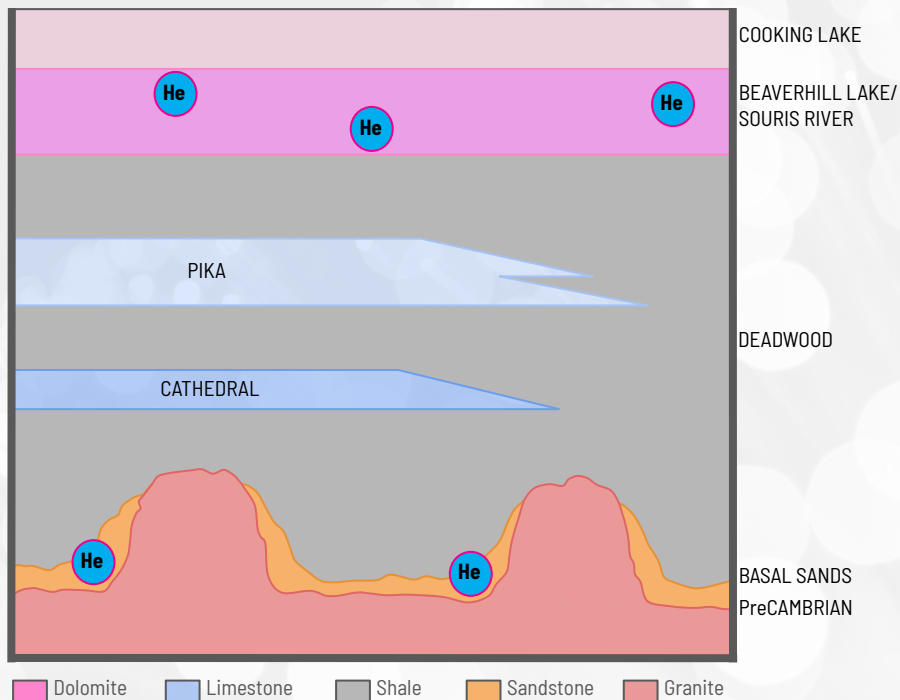
Company secured an exploration option on 276,000 select acres of land that are > 60% covered by 3D seismic within the Block.



Excellent opportunity to establish a significant second core area for helium exploration and development, in a proven productive region, and timely, cost-effective manner.



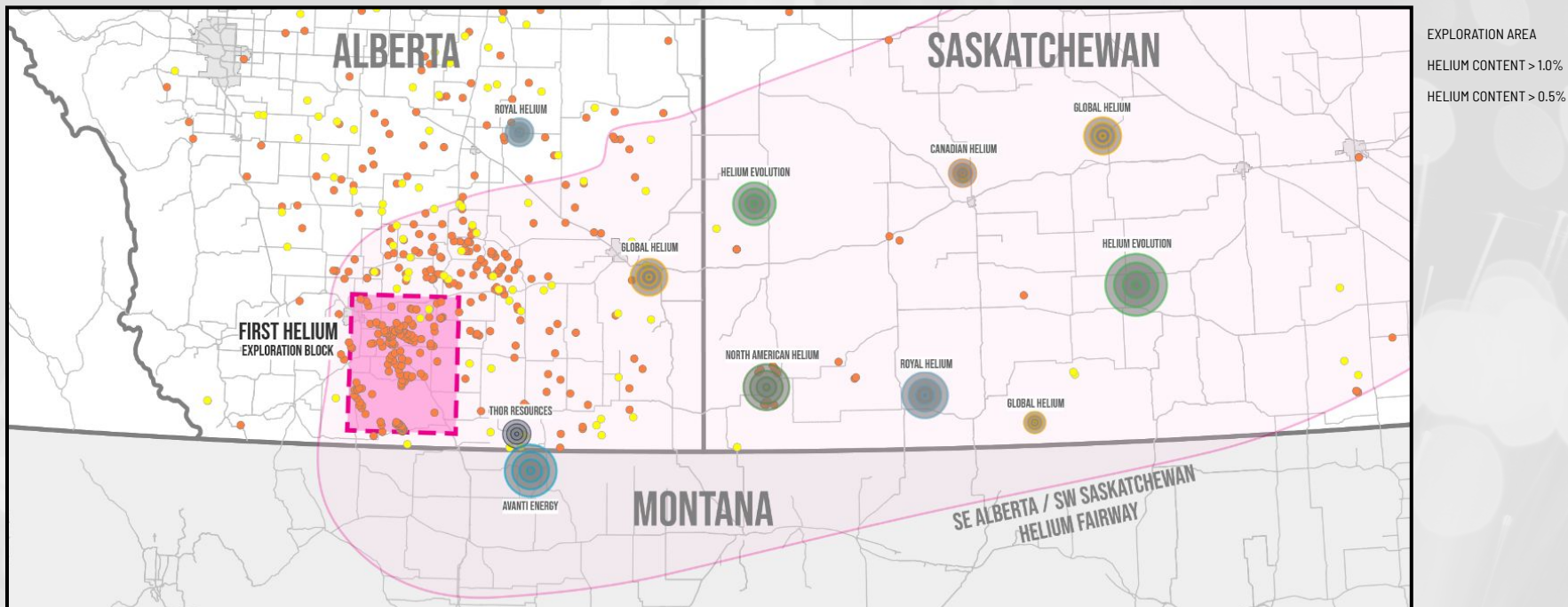
# SE ALBERTA/SW SASKATCHEWAN HELIUM FAIRWAY



- First Helium targets are similar to known helium accumulations at Knappen, Battle Creek and Cypress
- Multiple potential targets with four-way closure
- Multiple zones of good porosity and permeability
- Basal Sands onlapping onto pre-existing PreCambrian highs with high porosity and permeability
- Porous and permeable intervals within the dolomites of the Beaverhill Lake / Souris River
- Helium contents >1%, with high nitrogen content, totally inert gases



# LETHBRIDGE GREATER KNAPPEN AREA



## Southern Exploration Area

- Seismic evaluation ongoing, first drill ready location ready for 2023 drilling
- Proximity to existing helium exploration, drilling and production at Knappen
- Recent helium exploration success to SE
- Helium Content > 0.5% in multiple formations

# NEXT STEPS | 12 Months

## Worsley Property Activities



Confirm Facility Production Strategy, Secure Financing and Order Equipment



Construct Facility, Commission and Commence Helium Production



Complete and Test 14-23 Horizontal Helium Target Well and Prepare to Drill Next Worsley Wells



Evaluate Options for Holdback Helium Gas Sales Volumes and Drilling Acceleration at Worsley

## Exploration Upside Activities



Technical Evaluation of Newly Acquired Worsley Lands, Process and Evaluate new 3D Seismic Data, and Confirm Additional Drill Targets



Continue Seismic Data Interpretation on Southern Alberta Land Block



Finalize Drill Locations at Lethbridge, First Well Drill Ready for 2023 drilling



Prioritize and Position for Further Exploration Drilling at Worsley and New Area Lands

# CORPORATE BENCH DEPTH

*First Helium* boasts a seasoned management team, board and advisory group with successful track records and experience in oil and gas exploration and production, capital markets and finance, helium project development, construction and project management, and mining exploration and development.

## Ed Bereznicki

*P.Eng., MBA – President, CEO, Director*

15 years of Corporate Finance, Capital Markets, and Financial Advisory Expertise as Senior Energy Investment Banker with Raymond James and GMP, and 10+ years in O&G Sector.

- Over \$20 Billion of equity and convertible debt raised for Energy Sector, including successful start-ups and IPO's.
- Over 30 successful M&A transactions totaling more than \$4.5 Billion in value.
- Seasoned Energy Executive with E&P, risk management, operations, and pipelines experience, domestic and international.

## Robert J. Scott

*CPA, CA, CFA – CFO & Director*

20+ Years Professional Experience In Accounting and Corporate Compliance, Corporate Finance, and Merchant and Commercial Banking.

- Senior Management and Board Positions with a number of TSX-V Listed Issuers.
- Raised Over \$200mm in equity capital for growth companies.
- Hands-on background in IPO's, RTO's, Corporate Re-Structuring, M&A, and Cost-Effective Operations.

## David L. Safton

*M.Sc. Geology with distinction – Vice-President Exploration & Development*

30+ years experience in Alberta's oil and gas sector with large and small companies in both the private and public space, main focus on exploration and asset development.

- Co-founder/Owner/Operator of a private oil and gas explorer/producer since 1998.
- Wide ranging experience in the oil and gas business covering most areas in technical and administrative functions.
- Experience in senior management and board positions of public companies.

## Shaun Wyzykoski

*P.Eng. – Vice-President Engineering*

25+ years experience in the Canadian Oil and Gas Industry.

- Extensive background in Operations, Engineering, Acquisitions and Divestitures, Finance/Capital Markets.
- Former COO, Orlen Upstream Canada, Officer, Fairmount Energy and TriOil Resources.
- Member of Founding Engineering group at Crescent Point Energy.

## Vance Loeber

*Founder*

30+ Years Experience Financing Early Stage Resource Companies.

- U.S. Silver; Largest Pure Silver Mine In USA.
- Founder Sandspring Resources and Carlisle Goldfields.
- Promoter With An Extensive Network In Europe, Asia, and North America.



# INDEPENDENT DIRECTORS

## Todd Holmstrom

*B. Sc.*

33+ years in leadership roles in Oil & Gas, Mining, Wireless Communications, and Medical Devices

- Held the position of President within a \$200MM+ company (Lockerbie & Hole, a division of AECON) and Vice President in two \$1 Billion+ operating companies (Flint Energy Services & Stuart Olson).
- Extensive experience developing business strategy & leading the successful execution of \$1 Billion+ EPC projects worldwide.
- B.Sc. Mechanical Engineering and Executive Leadership Programs at Ivey School of Business and University of North Carolina-Kenan Flagler School of Business.

## Cal Watson

*P. Eng.*

35 years Oil and Gas experience

- Multiple roles across Operations, Production, and Reservoir Engineering, Gas Marketing, and Business Development.
- Devon Canada- Foothills Region Business Development Manager.
- General Manager, Technical Engineering, reservoir, business development, and operations for Jackfish, Thermal SAGD.
- VP Thermal Ops and VP Production Ops for all Devon Production Ops and Production Support, 105,000 bbls/d with an annual opex budget of \$1.2 Billion.
- Anderson Exploration- Central & Southern Plains Exploration Manager.
- Husky Oil and Ulster Petroleum- Production and Reservoir Engineering; Gas Marketing, responsible for up to 650 wells.



# INVESTMENT HIGHLIGHTS



**GLOBAL DEMAND** | Helium is a high value, finite resource, vital to the High-Tech, Healthcare, Aerospace, Scientific and Industrial sectors because of its physical properties.



**COMPELLING ECONOMICS** | Long life, high netback production profile forecast of 15-25 lends itself to responsible, non-dilutive financing alternatives for facility infrastructure.



**LARGE UNDEVELOPED LAND BASE** | Over 25,000 acres of new contiguous lands on trend with the 15-25, 1-30 & 4-29 discovery wells at Worsley acquired Summer 2022.



**LARGE EXPLORATION LAND INVENTORY ON SOUTHERN ALBERTA HELIUM FAIRWAY** | Over 276,000 acres of prospective helium exploration land, including 3D seismic coverage over 60% of the land base to expedite exploration.



**RESOURCE DE-RISKED** | The Company's helium-rich 15-25 discovery well is ready to be equipped and brought into production. First Helium's 1-30 and 4-29 oil discovery wells open up future potential oil exploration & development opportunities.



**CASH FLOW** | Helium gas sales offtake agreement provides for 5 year firm prices on a take-or-pay basis with marketing flexibility on 20% holdback volumes. Targeted helium plant on-stream date late Q1 2024. The 1-30 and 4-29 light oil wells continue to provide cash flow to support Helium exploration and development activities at Worsley and Lethbridge.




**LIQUIDITY** | First Helium's common shares are listed on the TSX-V (Ticker: "HELI"). The Company also trades on the OTCQX (Ticker: "FHELF") and Frankfurt (Ticker: "2MC").



**ENVIRONMENTALLY CONSCIOUS** | First Helium is committed to leading the way in environmental and operational excellence in the nascent Canadian helium exploration and development sector - striving to surpass government regulations.

# PEER GROUP COMPARISON HIGHLIGHTS

"HELI" stands out from its peers with significant helium contingent resources.

PRE-PRODUCTION COMPANIES		Helium Evolution	Global Helium	Blue Star Helium	Royal Helium	Avanti Energy	Desert Mountain
<b>Ticker</b>	TSXV - HELI	TSXV - HEVI	CSE - HECO	ASX - BNL	TSXV - RHC	TSXV - AVN	TSXV - DME
<b>Market Capitalization @ 05.23.23 (\$mm)</b>	<b>\$17.0</b>	<b>\$14.4</b>	<b>\$10.0</b>	<b>AUS\$44.1</b>	<b>\$86.1</b>	<b>\$42.8</b>	<b>\$105.9</b>
<b>Land Position (Acres)</b>	Over 300,000 with 170,000+ Acres 3D Seismic	5.48 million	1.1 million	215,345	>1 million	~77,000	85,000+
<b>Independent Engineering Evaluation Unrisked "Contingent Resources" Helium Best Estimate</b>	<b>Sproule<sup>1</sup> 323 mmcf NPV10 ~\$33 mm @ \$US450/mcf</b>	n/a	n/a	n/a	GLJ Steveville 161.9 mmcf NPV10 \$25.9 mm @ \$US 450/mcf	McDaniel 221 mmcf on Sweetgrass Pool 01.31.23	External Reserve Study Well #4 1.9 Bcf Gross Recoverable Gas in Place @ 1.137% He ~ 22 mmcf Helium
<b>Best Estimate Contingent Helium Resource per Basic Share Outstanding (mcf/share)</b>	<b>3.71</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>0.68</b>	<b>2.87</b>	<b>0.10</b>

Source: Company Filings & Corporate websites as at 05.23.23. Publicly available information.

TMX Money ([www.tmx.com](http://www.tmx.com)), CSE ([www.thecse.com](http://www.thecse.com)), Australian Stock Exchange ([www.asx.com.au](http://www.asx.com.au)). 1. See Slide 12 and First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com) for further information.

# THANK YOU

**Contact us for more information on this investment opportunity!**

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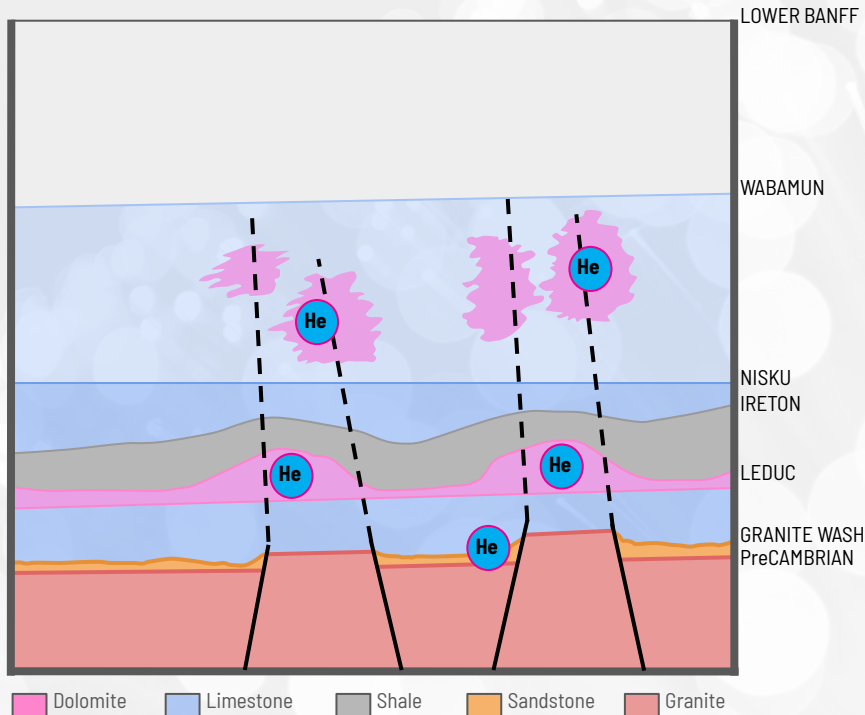


# APPENDIX



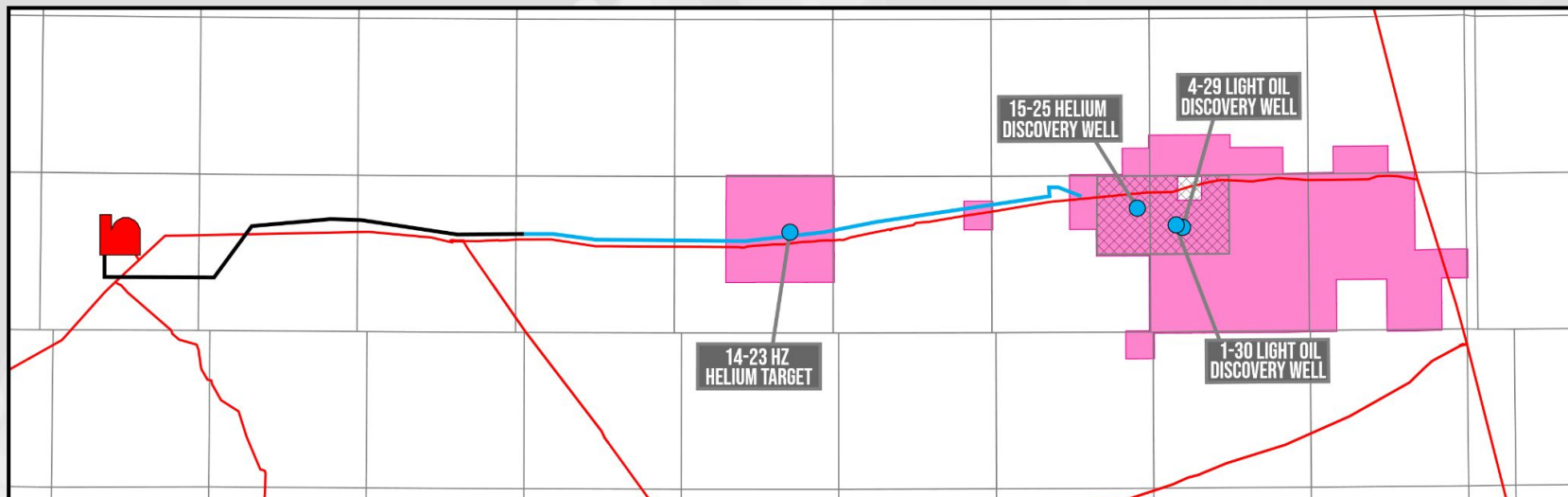


# WORSLEY AREA REEF TREND



- Deep-seated Faulting within the Basement
- Reef Build-up Associated with Faulting and Pre-existing High
- Hydrothermal Fluids Creating Dolomite around Fault Conduits
- Helium Generated in the Basement and Migrated through Existing Fault Systems, Trapping in Existing Reservoirs with Hydrocarbons
- Multiple Potential Targets in the Granite Wash, Leduc and Wabamun

# WORSLEY PIPELINE INFRASTRUCTURE ACQUIRED



## Natural Gas Gathering System

- 46 km of natural gas gathering lines
- Facilitates development across entire Worsley Trend
- Estimate replacement cost of \$7 - 9 mm
- Includes ~ 3,700 net acres of undeveloped land
- All-in acquisition cost < \$750k

- Acquired Gathering Lines
- Natural Gas Sales Line (TC Energy)
- 3rd Party Gathering & Processing

# MARKET OPPORTUNITY AND ECONOMICS

## USA - shortfall in supply expected

- Final Auction from U.S. Strategic Reserve (Aug 2018)<sup>4</sup> elevates supply uncertainty
- Qatar, Algeria and Russia are major suppliers<sup>4</sup> – political risk

## Canada - huge opportunity

- 5<sup>th</sup> Largest Global Prospective Resource<sup>2</sup>
- Can supply domestic and global markets

## Indicative Market Prices<sup>3</sup> for Helium

- Crude Helium US\$400+ /mcf
- Recent 3 year deals announced at US\$ 450/mcf
- Processed Helium US\$500+ /mcf depending on grade and delivery

NOTE: "mcf" = Thousand cubic feet | "mmcf" = Million cubic feet | "bcf" = Billion cubic feet

## GLOBAL DEMAND

# 6 bcf/year

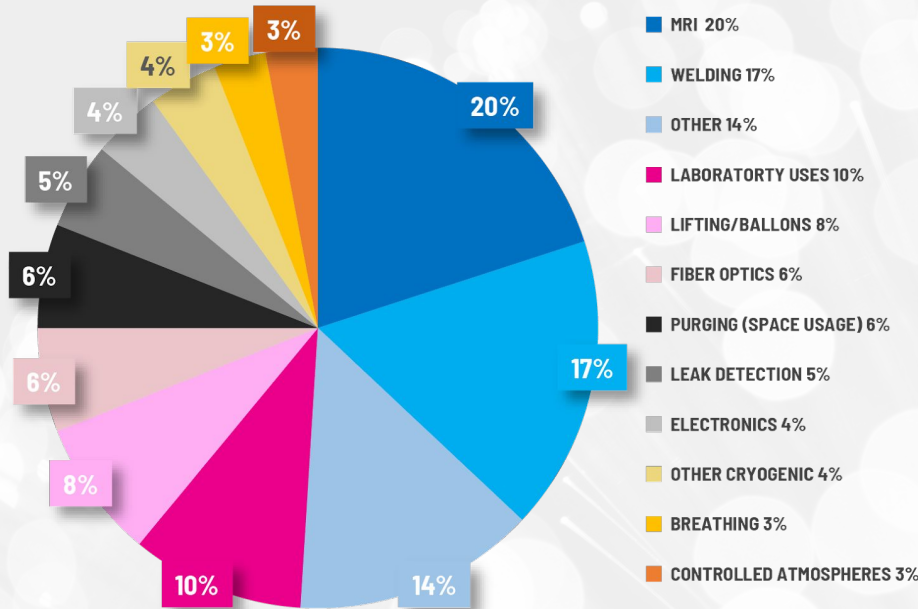
# 7.6%

**GLOBAL**  
CAGR GROWTH  
PROJECTED THROUGH<sup>1</sup>  
2021-2026<sup>1</sup>

**\$2.2 Billion (2020) - \$3.6 Billion (2026) \$US**

1. Source: [marketwatch.com](https://www.marketwatch.com) | 2. Source: USGS | 3. Source: Heli Management | 4. U.S. Geological Survey, Mineral Commodity Summaries, January 2022

# DEMAND CONSTITUENTS OF HELIUM



SOURCES: [Edison Investment Research \(February 2019\)](#)/ [Kornbluth Consulting](#)

amazon  
Google

NETFLIX  
facebook®

Big technology companies like Amazon, Google, Facebook, and Netflix all depend on this one gas to keep their servers up and running around the clock. Helium has everyday applications in the tech and medical industries as well as space travel and national security.

- Critical gas for manufacturing cars, high-speed internet cables, phones, tablets and computers
- Required in health sector to cool magnets in MRI machines
- Needed for space exploration
- Identified as one of a limited number of minerals crucial to United States national security

SOURCE: [artsci.wustl.edu](http://artsci.wustl.edu)



# RISK FACTORS

Readers should carefully consider the risks and uncertainties described below and in First Helium's Final Prospectus dated June 28, 2021, filed on First Helium's SEDAR profile at [www.sedar.com](http://www.sedar.com) before deciding whether to invest in First Helium's securities. These risk factors do not necessarily comprise all of the risks to which First Helium is or will be subject.

## **First Helium is an exploration stage company**

First Helium is an exploration stage company. The exploration and development of helium, natural gas and oil properties is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Such risks include under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. Natural gas, oil and helium exploration involves significant risk, since few properties that are explored contain reserves that would be commercially economic to develop into producing wells. There can be no assurance that First Helium's existing or future exploration programs will result in the discovery of commercially viable reserves. Further, there can be no assurance that even if resources are located, that they can be commercially produced.

## **First Helium has limited production history**

First Helium has limited operating history and limited historical financial performance. First Helium currently has one oil property, comprised of the 1-30 and 4-29 oil wells, in production. First Helium has applied to the appropriate regulators for approval of a water disposal scheme to optimize production and reduce operating costs. This plan includes the conversion of an abandoned well, the 13-20, for water disposal purposes. While First Helium has received an independent NI 51-101 evaluation of its oil property, which includes the water disposal scheme operation, there can be no assurance of the oil property's future economic performance. The future development of any additional properties found to be economically feasible will require the construction and operation of wells and related infrastructure. There is no guarantee that First Helium's properties will be economically feasible. As a result, First Helium is and will continue to be subject to all of the risks associated with establishing new operations. The costs, timing and complexities of developing First Helium's properties may be greater than anticipated. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in natural gas, oil and helium operations to experience unexpected costs, problems and delays during construction and development. In addition, delays in the early stages of natural gas, oil and helium production often occur. Accordingly, First Helium cannot provide assurance that its activities will result in profitable natural gas, oil and helium operations at its properties or that First Helium will successfully establish new or additional operations.

## **Permits**

First Helium's current and anticipated future operations, including further exploration and, if warranted, development and commencement of production on its properties, require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within First Helium's control. First Helium cannot provide assurance that all permits that it requires for its operations will be obtainable or renewable on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the expiry, revocation or failure to comply with the terms of any such permits that have been obtained, would adversely affect its business.

## **Government rules and regulations**

First Helium's operations are subject to various levels of government controls and regulations including matters relating to land tenure, drilling, production practices including hydraulic fracturing of wells, government-directed future use of reservoirs for carbon capture uses, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax, foreign trade and investment and government approval of lease and licence transfers and other regulatory approvals that are subject to change from time to time. First Helium cannot predict what additional legislation or amendments may be proposed that will affect First Helium's operations or when any such proposals, if enacted, might become effective. There is no certainty regarding obtaining government approvals. Changes in government policy or laws and regulations could adversely affect First Helium's results of operations and financial condition. Failure to comply with applicable laws, regulations and legal requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions which could have an adverse effect on First Helium's business, financial condition or operations.

## **Exploration, development and production risks**

Natural gas, helium and oil operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of First Helium will depend on its ability to find, acquire, develop and commercially produce helium, natural gas, and oil reserves. Without the continual addition of new reserves, any existing reserves First Helium may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in First Helium's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. Future helium, natural gas or oil exploration may involve unprofitable efforts. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

# RISK FACTORS

There is no assurance that further commercial quantities of helium, natural gas or oil will be discovered or acquired by First Helium.

Helium, natural gas and oil exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to helium, natural gas or oil wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, First Helium will not be fully insured against all of these risks, nor are all such risks insurable. Although First Helium will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event First Helium could incur significant costs that could have a material adverse effect upon its financial condition.

## **Competition**

Helium, natural gas and oil exploration is intensely competitive in all its phases and involves a high degree of uncertainty with respect to the impact of such competition. First Helium will compete with numerous other participants in the search for, and the acquisition of, helium, natural gas and oil properties and in the marketing of helium, natural gas and oil. Competitors include helium, natural gas and oil companies that have substantially greater financial resources, staff and facilities than those of First Helium. Competitive factors in the distribution and marketing of helium, natural gas and oil include price and methods and reliability of delivery. First Helium may also be subject to competition from the alternative fuel industry.

## **Environmental**

All phases of the helium, natural gas and oil business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations in Canada and any foreign jurisdictions where may First Helium operate. Compliance with environmental legislation regarding the production of helium, natural gas or oil can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. The discharge of natural gas, oil or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require First Helium to incur costs to remedy such discharge.

## **Price volatility, markets and marketing**

The marketability and price of helium, natural gas and oil that may be acquired or discovered by First Helium will be affected by numerous factors beyond its control. First Helium's revenues, profitability, future growth and the carrying value of any helium, natural gas or oil properties that it may hold, provided such properties yield production, are substantially dependent on prevailing prices of helium, natural gas and oil. First Helium's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon natural gas and oil prices. Gas and oil prices are subject to large fluctuations in response to relatively minor changes in the supply of and demand for gas and oil, market uncertainty and a variety of additional factors beyond the control of First Helium. Any substantial and extended decline in the price of helium, natural gas or oil would have an adverse effect on First Helium's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

## **Additional funding requirements**

First Helium's cash flow from its reserves, once developed, may not be sufficient to fund its ongoing activities at all times. From time to time, First Helium may require additional financing in order to carry out its gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause First Helium to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. First Helium may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms.

## **Availability of drilling, hydraulic fracturing and other equipment and access**

Helium, natural gas or oil exploration and development activities are dependent on the availability of drilling, hydraulic fracturing and other related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to First Helium and may delay exploration and development activities.

## **Insurance**

First Helium's involvement in the exploration for and development of helium, natural gas and oil properties may result in it becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Such risks may not in all circumstances be insurable or, in certain circumstances, First Helium may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to First Helium. The occurrence of a significant event that First Helium is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on First Helium's financial position, results of operations or prospects.

# RISK FACTORS

## **Reliance on key personnel**

The success of First Helium will depend in large measure on certain key personnel and management. The loss of the services of such key personnel could have a material adverse effect on First Helium. The competition for qualified personnel in the helium, natural gas and oil industry, is intense and there can be no assurance that First Helium will be able to attract and retain all personnel necessary for the development and operation of its business.

## **Transportation costs**

Disruption in or increased costs of transportation services could make helium, natural gas or oil a less competitive source of energy or could make First Helium's helium, natural gas or oil less competitive than other sources. The industry depends on rail, trucking, ocean-going vessels, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying helium, natural gas or oil. Disruptions of these transportation services because of weather related problems, strikes, lockouts, terrorist activities, delays or other events could temporarily impair the ability to supply helium, natural gas or oil to customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for helium, natural gas or oil produced by competitors, could adversely affect profitability. To the extent such increases are sustained, First Helium could experience losses and may decide to discontinue certain operations forcing First Helium to incur closure and/or care and maintenance costs, as the case may be.

## **Dependence on its current natural gas, oil and helium properties**

In the absence of additional material properties, First Helium will be solely dependent upon its current natural gas, oil and helium properties for its revenue and profits, if any. Should the exploration and development of its current properties, turn out to be not possible or practicable, for political, engineering, technical, economic or any other reasons, First Helium's business and financial position will be significantly and adversely affected.

## **First Helium may incur losses for the foreseeable future**

First Helium expects to incur losses unless and until such time as its current natural gas, oil and helium properties generate sufficient revenues to fund continuing operations. The exploration and, if warranted, development of its properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the First Helium's control. First Helium cannot provide assurance that it will ever achieve profitability.

## **COVID-19**

First Helium faces risks related to COVID-19, which could significantly disrupt its business and may materially and adversely affect its business and financial conditions. In December 2019, a novel strain of the coronavirus emerged in China, and the virus has now spread globally, including Canada, resulting in a global pandemic. The extent to which COVID-19 will impact First Helium's business, including its operations, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact First Helium's business, including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and other factors that will depend on future developments beyond First Helium's control, which may have a material and adverse effect on the its business, financial condition and results of operations. There can be no assurance that First Helium's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, a significant outbreak of COVID-19 could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the helium industry and First Helium's future prospects.