

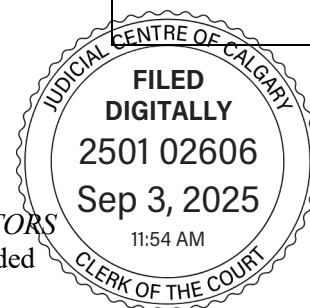
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COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, as amended



AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF ROYAL HELIUM LTD.,
IMPERIAL HELIUM CORP., AND ROYAL HELIUM
EXPLORATION LIMITED

DOCUMENT **FIFTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

September 3, 2025

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
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INTRODUCTION

1. On January 17, 2025, Royal Helium Ltd. ("**RHL**"), Royal Helium Exploration Limited ("**RHEL**") and Imperial Helium Corp. ("**IHC**") (collectively, the "**Companies**" or the "**Applicants**") each filed Notices of Intention to Make a Proposal (each, an "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended ("**BIA**"). Doane Grant Thornton LLP ("**DGT**" or the "**Proposal Trustee**") consented to act as the Proposal Trustee under the NOIs.
2. As at February 19, 2025 the Companies' secured lenders, National Bank of Canada as the successor to Canadian Western Bank ("**NBC**") and Business Development Bank of Canada ("**BDC**" and together with NBC, collectively, the "**Secured Lenders**"), are owed approximately \$17.4 million.
3. On February 19, 2025, the Companies were granted relief under *the Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"). In particular, the order (the "**Initial Order**"), among other things:
 - a) directed that:
 - i. pursuant to section 11.6(a) of the CCAA, the proceedings commenced by the Applicants in connection with the filing of the NOIs (the "**NOI Proceedings**") were taken up and continued under the CCAA;
 - ii. Division I of Part III of the BIA had no further application to the Applicants;
 - iii. the NOI Proceedings were terminated; and
 - iv. the NOIs were withdrawn;
 - b) appointed Alvarez & Marsal Canada Inc. ("**A&M**") as the monitor (the "**Monitor**") of the Applicants in these proceedings (the "**CCAA Proceedings**");

- c) declared that the relief granted by order of the Ontario Superior Court of Justice (Commercial List) dated January 29, 2025 (the "**Consolidation Order**") was taken up and continued pursuant to the Initial Order;
- d) approved the Applicants' ability to borrow under a debtor-in-possession credit facility (the "**New DIP Facility**") up to a maximum amount of \$2.5 million, subject to the terms of the interim financing term sheet dated February 19, 2025 (the "**DIP Term Sheet**") between the Applicants as borrowers and the Secured Lenders as lenders (the Secured Lenders in such capacity, the "**DIP Lenders**") in order to refinance the Original DIP Facility (as defined in the DIP Term Sheet);
- e) continued and took up under the CCAA such charges and amounts secured under the Consolidation Order, including confirming that (i) the Amended Administration Charge (as defined below) secured the fees and disbursements of the Monitor and its legal counsel, and (ii) such charges attached to all of the Applicants' assets and property and continued to rank in priority to all other charges, mortgages, liens, security interests and other encumbrances therein, and in the following order priority amongst themselves:
 - i. first – a charge in favour of the Monitor, its legal counsel, Burnet, Duckworth & Palmer LLP (the "**Monitor's Counsel**") and the Applicants' legal counsel, Reconstruct LLP in respect of their fees and disbursements, to a maximum amount of \$300,000 (the "**Amended Administration Charge**"); and
 - ii. second – a charge in favour of the DIP Lender up to the maximum principal amount of \$2,500,000; and
- f) authorized the Applicants to pay the reasonable expenses incurred in carrying out their business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order.

4. On February 19, 2025, the Court also granted an order (the "**SISP Approval Order**"), approving a sale and investment solicitation process (the "**SISP**") in the form attached as Schedule "A" to the SISP Approval Order, which SISP was directed to be conducted by the Monitor in consultation with the Applicants and in accordance with the terms of the SISP.
5. On March 28, 2025, the Court granted a stay extension order (the "**First Stay Extension Order**") which, among other things, extended the stay of proceedings up to and including May 17, 2025, discharged DGT as Proposal Trustee and approved the First Report of the Proposal Trustee and the fees of the Proposal Trustee and its counsel, Gowling WLG.
6. On May 8, 2025, the Court granted a stay extension order (the "**Second Stay Extension Order**") that, among other things, extended the stay of proceedings from May 17, 2025, up to and including June 27, 2025.
7. On June 10, 2025, the Court granted an order enhancing the powers of the Monitor over the Companies, granting the Monitor powers that would normally be carried out by a director or officer of the Companies, or a receiver appointed over the Companies (the "**EMP Order**"). The EMP Order also included an extension to the stay of proceedings to August 1, 2025, approved the actions, activities and conduct of the Monitor as reflected within the Monitor's Reports and approved the fees of the Monitor and its counsel.
8. On July 31, 2025 the Court granted a further stay extension order (the "**Third Stay Extension Order**" and together with the First Stay Extension Order and the Second Stay Extension Order, the "**Stay Extension Orders**") that, among other things, extended the stay of proceedings in respect of the Companies from August 1, 2025, up to and including September 12, 2025 (the "**Stay Period**").
9. The Monitor is seeking the approval of this Honourable Court for an Order, among other things:
 - a) granting a further stay extension (the "**Fourth Stay Extension**") that extends the Stay Period from September 12, 2025, up to and including October 17, 2025;

- b) granting a Restricted Court Access Order (the "**Restricted Court Access Order**") temporarily sealing Confidential Appendices "1" to this Report (the "**Confidential Appendix**") on the Court Record;
- 10. All documents filed with respect to these CCAA Proceedings are posted on the Monitor's website at: www.alvarezandmarsal.com/royalhelium (the "**Monitor's Website**").
- 11. Capitalized terms not defined in this Fifth Report are as defined in the Initial Order, the SISP Approval Order, the EMP Order, the Stay Extension Orders, or the Affidavits of David Young sworn February 10, 2025, February 14, 2025, March 17, 2025 and April 28, 2025 (each a "**Young Affidavit**" and collectively, the "**Young Affidavits**") as well as the Monitor's four previously filed Reports.

PURPOSE

- 12. The purpose of this Report is for A&M, in its capacity as the Monitor of the Applicants, to provide information to this Honourable Court regarding:
 - a) the activities of the Monitor since the Fourth Report;
 - b) the actual cash flow results of the Companies compared to their Consolidated Cash Flow Forecast (defined and discussed below);
 - c) an updated cash flow forecast to the end of the Stay Period;
 - d) a summary of the SISP;
 - e) the request for a Restricted Court Access Order for the Confidential Appendix concerning the offers received from the SISP;
 - f) the request for the Fourth Stay Extension; and
 - g) the Monitor's overall recommendation in respect of the foregoing.

TERMS OF REFERENCE AND DISCLAIMER

13. In preparing this Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Companies and has held discussions with the Companies' management and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Companies' cash flow forecast:
- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
14. Future oriented financial information referred to in this Report was prepared based on the Companies' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections (even if the assumptions materialize), and the variations could be significant.
15. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

BACKGROUND

Overview

16. RHL is a public company that traded on the TSX Venture Exchange and holds 100% of the issued and outstanding capital of its two subsidiaries, RHEL and IHC. Since its inception, RHL has grown through a series of amalgamations, asset purchases and through exploration and drilling for new resources.
17. The Companies are in the business of gas extraction and exploration and are focused on the drilling and extracting of helium for purification and the exploration of potentially helium rich lands in Saskatchewan and Alberta (the "**Business**"). The Companies control approximately 564,000 acres of lands through permits and leases across Saskatchewan and Alberta, which are believed to have some of the largest prospective helium resources in the world. As such, the Monitor understands that these lands may have significant economic concentrations of helium trapped in the subsurface for extraction and purification.
18. The Companies have three wells tied into their helium purification facility located in Stezeville, Alberta (the "**Steveville Facility**"). The Companies' legacy drillings, well logs, and other geologic data suggest significant additional resources may exist within the Companies' leasehold lands.
19. For the past 12 months, the Companies' operations have been halted and they are not generating any production. The Companies' two remaining employees, the CEO and the CFO (together, "**Former Management**"), resigned shortly after the Court granted the EMP Order but remain as directors of certain of the Companies. The Companies continue to utilize contractors to preserve and protect the Steveville Facility, including Former Management.
20. Further information regarding the cause of the Companies' insolvency and these CCAA Proceedings, including the Initial Order, the Young Affidavits, and the Monitor's prior Reports are available on the Monitor's Website.

ACTIVITIES OF THE MONITOR SINCE THE FOURTH REPORT

21. The Monitor's activities since the Fourth Report, including those exercised pursuant to the terms of the EMP Order, have included, but are not limited to, the following:

- a) conducting ongoing discussions with Former Management regarding various business matters and the Companies' financial affairs;
- b) attending to various operational matters previously undertaken or overseen by Former Management, including insurance related matters, vendor communication while simultaneously providing directions to Former Management;
- c) reviewing and discussing weekly payables with Former Management;
- d) reviewing the Companies' bank details and compiling the Companies' budget to actual reporting as well as extending the cash flow forecast, as needed, for purposes of communicating the same to the DIP Lenders;
- e) advancing negotiations and ultimately executing the Amalgamation Agreement with a successful bidder (the "**Successful Bidder**"). However, as set forth in greater detail below, the Monitor terminated the Amalgamation Agreement on August 30, 2025;
- f) engaging in multiple communications with the DIP Lenders and their respective counsel on file matters, including the various reporting requirements including the budget to actual results and updates to the cash flow forecast;
- g) holding numerous communications with the DIP Lenders with respect to advancing a sale agreement and ultimate execution of the same with the Successful Bidder;
- h) ongoing communication with the Saskatchewan MER and the Alberta AER and providing updates on the SISP and the CCAA Proceedings;
- i) responding to various correspondence from third parties inquiring about the CCAA proceedings; and

- j) holding discussions with the Monitor's Counsel regarding various matters in relation to the CCAA Proceedings, including regarding finalizing the Sales Agreement with the Successful Bidder.

SISP UPDATE

Overview

- 22. As previously reported in its prior Reports, the Monitor, with the assistance of the Companies, undertook a significant marketing process between February 24, 2025 and April 25, 2025 with both a Phase 1 Deadline and Phase II Deadlines (March 28 and April 25, 2025, respectively). The SISP Approval Order was granted and pronounced by this Honourable Court on February 19, 2025.
- 23. In summary, the SISP marketing process consisted of the following:
 - a) the Monitor prepared and disseminated notices of the SISP Process ("**SISP Notices**") in the Insolvency Insider, The Globe & Mail, BOE Report, Facility Calgary as well as an industry specific notice through AKap Energy and The Edelgas Group;
 - b) the Monitor, in consultation with the Companies, prepared a teaser package (the "**Teaser**") and a template non-disclosure agreement (the "**NDA**"), forms of which were appended to the Monitor's First Report;
 - c) the Monitor, in consultation with the Companies, prepared an initial list of potential interested parties, including strategic parties and capital providers (collectively, the "**Interested Parties**"); and
 - d) a comprehensive package of marketing materials (including the development of all relevant financial, accounting, asset and facility listings, inventory schedules, liabilities, contractual agreements, valuation materials, and other materials was assembled and made available in a virtual data room (the "**VDR**")).

24. The result of the SISP was as follows:

- a) twenty (20) prospective purchasers signed NDAs and received access to the VDR;
- b) the Monitor received nine (9) non-binding letters of intent by the Phase I Bid Deadline (each, an "**LOI**"); and
- c) the Monitor received four (4) offers by the Phase II Bid Deadline (each, a "**Phase II Offer**"). In consultation with the Companies and the Secured Lenders (including as DIP Lenders), the Monitor and the Companies agreed to select a Successful Bidder. A summary of the Phase II Offers is contained in the Confidential Appendix.

Selection of a Successful Bidder

- 25. On or about May 23, 2025, the Companies and the Monitor entered into a 60-day exclusivity agreement with the Successful Bidder (the "**Exclusivity Agreement**"), which was set to expire on August 6, 2025. During this time, the Monitor, in consultation with the Secured Lenders and DIP Lenders, and the Successful Bidder held multiple negotiations to finalize the Amalgamation Agreement.
- 26. Effective July 31, 2025, the Monitor and the Successful Bidder entered into a reorganization and amalgamation agreement (the "**Amalgamation Agreement**"), including (i) a form of a reverse vesting order ("**RVO**") and (ii) the incorporation of a ResidualCo, which would obtain the Companies' Transferred Assets and Transferred Liabilities pursuant to the provisions of the RVO.
- 27. The Amalgamation Agreement also included a condition that obligated the Successful Bidder to waive or satisfy a financing condition by August 15, 2025, which was intended to enable the Successful Bidder to complete its equity and debt financing and close upon the transaction (the "**Financing Condition**"). The Successful Bidder was unable to waive or satisfy the Financing Condition by the August 15, 2025 deadline.

28. Following a request from the Successful Bidder, and after consulting with the Secured Lenders and the DIP Lenders, the Monitor agreed to extend the Financing Condition to August 29, 2025. Notwithstanding the extension, the Successful Bidder was still unable to waive or satisfy the Financing Condition. However, the Successful Bidder provided the Monitor with an amended proposal to close on the transaction for the same total consideration, but with different payment terms.
29. On August 30, 2025, as a result of the Successful Bidder's failure to confirm its satisfaction or waiver of the Financing Condition, the Monitor informed the Successful Bidder that the Monitor was terminating the Amalgamation Agreement. The Successful Bidder had previously agreed and acknowledged that its deposit (the "**Deposit**") was non-refundable following its initial failure to satisfy the Financing Condition. The Monitor also informed the Successful Bidder that it was not aware whether the revised offer would be acceptable but would discuss the matter further with the Secured Lenders and the DIP Lenders as well as considering its next steps.

Next Steps

30. If granted by this Honorable Court, the Monitor will require the remainder of the New DIP Facility and the Deposit to continue into the Fourth Stay Extension, which is summarized in the cash flow forecast outlined below. The Monitor notes that the Companies will likely need an increase to the DIP amount and a corresponding amendment to the New DIP Facility pending a determination on the next steps following the recent termination of the Amalgamation Agreement, which remains subject to the discretion of the DIP Lenders.
31. Should this Honourable Court support the proposed Fourth Stay Extension, the Monitor will examine its options regarding a sale of the Companies' Property, including but not limited to renegotiating the Amalgamation Agreement with the former Successful Bidder, consideration of the Successful Bidder's revised offer, re-establishing communication with the Interested Parties that previously submitted LOIs by the Phase II Bid Deadline and/or initiating a shortened/modified SISP.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

32. The Companies' actual cash receipts and disbursements as compared to the Consolidated Cash Flow Forecast presented in the Fourth Report during the period of July 12, 2025 to August 22, 2025 (the "**Reporting Period**") is summarized below:

Royal Helium Ltd., Imperial Helium Corp. and Royal Helium Exploration Limited (Collectively, the "Company")				
Cash Flow Variance Analysis				
For the period from July 12, 2025 to August 22, 2025				
SCAD, thousands, unaudited				
	YTD Weeks 1 - 29	Reporting Period Weeks 24 - 29		
	Actuals	Forecast	Actuals	Variance
Receipts				
Accounts Receivable	64	-	-	-
Other Receipts	53	-	-	-
DIP Cash Advance	2,754	580	330	(250)
Total Receipts	2,871	580	330	(250)
Operating Disbursements				
Payroll and Contractors	398	47	50	(4)
Plant Security	-	6	-	6
Insurance	176	80	80	-
Rent, Office, IT, and Other Miscellaneous	70	4	5	(1)
Contingency	-	15	-	15
Total Operating Disbursements	814	151	135	16
Net Cash Flow from Operations	2,057	429	195	(234)
Non-Operating Disbursements				
<u>Professional Fees</u>				
Companies Counsel's Fees	371	1	1	-
DIP Counsel Fees	83	220	-	220
Proposal Trustee Fees	48	-	-	-
Proposal Trustee Counsel Fees	36	-	-	-
Monitor's Fees	480	138	73	65
Monitor's Counsel's Fees	315	148	83	65
Company Counsel Retainer and Monitor Retainer	50	-	-	-
D&O Insurance	100	-	-	-
NOI DIP Repayment	644	-	-	-
Total Non-Operating Disbursements	2,127	507	157	350
Net Cash Flow	(70)	(78)	38	116
Opening Cash	196	87	87	-
Net Cash Flow	(70)	(78)	38	116
Ending Cash	125	9	125	116
DIP Facility Maximum	2,500	2,500	2,500	2,500
Opening Availability	2,500	720	720	-
Advances	2,754	580	330	(250)
Repayments	-	-	-	-
NOI DIP Repayment	(644)	-	-	-
Closing Availability	390	140	390	(250)
Total DIP Used	2,110	2,360	2,110	(250)

33. Over the Reporting Period, the Companies experienced a positive cash flow variance of approximately \$116,000, primarily because of temporary timing differences, as well as some permanent variances, which are described below:

Permanent Variances

- a) a negative variance of approximately \$4,000 related to payroll and contractor fees being higher than originally forecasted primarily resulting from the final payroll disbursement to certain former management acting in consulting capacity;
- b) a positive variance of approximately \$6,000 that is not expected to be paid due to security services not being implemented in the Steveville Facility during the Reporting Period. The Monitor has arranged for bi-weekly personal site visits going forward;
- c) a negative variance related to rent, office, IT, and other miscellaneous fees being marginally higher than originally forecasted; and
- d) a positive variance of approximately \$15,000 relating to contingency costs that were forecasted but have not been incurred;

Timing Variances

- e) positive timing variance related to lower than forecasted DIP draws being required during the Reporting Period; however further DIP draws are projected to be made in the Forecast Period (as defined below); and
- f) positive variance related to lower-than-expected professional fees during the Reporting Period that are expected to reverse in the Forecast Period (as defined below). The Monitor and its legal counsel were paid approximately \$156,000 during the Reporting Period, which represented fees and costs incurred up to June 30, 2025.

- 34. Closing cash on hand as at August 22, 2025 was \$125,000.
- 35. The Companies borrowed approximately \$330,000 during the Reporting Period for purposes of funding operational and non-operational costs. The maximum New DIP

Facility is \$2.5 million, and as at August 22, 2025, approximately \$390,000 remains available to borrow.

UPDATED CASH FLOW FORECAST

36. For purposes of paragraph 10(2)(a) of the CCAA, the Companies have prepared an updated weekly cash flow forecast (the "**Sixth Cash Flow Forecast**") for the 8-week period from August 23, 2025 to October 17, 2025 (the "**Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Sixth Cash Flow Forecast. A copy of the Sixth Cash Flow Forecast, together with a summary of assumptions are attached hereto as Appendix "A".
37. The Sixth Cash Flow Forecast assumes that all ongoing costs of the business continue throughout the Forecast Period.
38. The Sixth Cash Flow Forecast is summarized below:

Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited (Collectively, the "Company")
Management Prepared 8-Week Cash Flow Forecast
For the period from August 23, 2025 to October 17, 2025
\$CAD, thousands, unaudited

	8 Week Total
Receipts	
DIP Cash Advance	390
Non-Refundable Deposit	150
Total Receipts	540
Operating Disbursements	
Payroll, Consulting, and Administration Costs	30
Facility Inspections	6
Insurance	19
Rent, Office, IT, and Other Miscellaneous	6
Contingency	8
Total Operating Disbursements	70
Net Cash Flow from Operations	470
Non-Operating Disbursements	
<u>Professional Fees</u>	
<i>DIP Counsel Fees</i>	220
<i>Monitor's Fees</i>	189
<i>Monitor's Counsel's Fees</i>	175
Total Non-Operating Disbursements	584
Net Cash Flow	(114)
Opening Cash	125
Net Cash Flow	(114)
Ending Cash	11
Opening Interim Financing Balance	2,110
Advances	390
Repayments	-
Closing Interim Financing Balance	2,500

39. An overview of the Sixth Cash Flow Forecast and select assumptions include the following:

- a) total projected cash receipts of approximately \$540,000, which relates solely to DIP advances and the use of the Deposit;
 - b) total forecast operating cash disbursements of approximately \$70,000 relating primarily to payroll, consulting fees, insurance, and administrative costs; and
 - c) forecast non-operating cash disbursements of approximately \$584,000, primarily relating to the forecast payment of the fees incurred by Monitor, Monitor's Counsel, and the DIP Lenders' counsel. The Monitor and Monitor's Counsel fees and costs have been estimated at \$364,000 for the period between July 1, 2025, and September 30, 2025, which may be subject to change.
40. Accordingly, there is negative net cash flow over the Forecast Period of approximately \$114,000 with the expectation that the Companies will draw on the New DIP Facility in the approximate amount of \$390,000 bringing the total borrowings under the New DIP Facility to \$2.5 million. The maximum availability under the New DIP Facility currently remains at \$2.5 million.
41. The Sixth Cash Flow Forecast is based on assumptions by the Monitor in its enhanced role, with the assistance of Former Management regarding future events. Former Management (now consultants to the Monitor) advises that actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Sixth Cash Flow Forecast will be accurate nor any opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in the course of the preparation of this Report.
42. The Sixth Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

RESTRICTED COURT ACCESS ORDER

43. The Monitor is seeking a Restricted Court Access Order, temporarily sealing the Confidential Appendix on the Court Record. The Confidential Appendix includes sensitive

information regarding the Phase II Bid Offers and a summary of the Amalgamation Agreement.

44. Due to the confidential nature of the information provided in the LOIs and the Amalgamation Agreement, the Monitor is concerned its disclosure could materially jeopardize the negotiations with the Successful Bidder or subsequent efforts to market the property. As such, the Monitor, is respectfully of the view that it is appropriate for this Honourable Court to seal the Confidential Appendix substantially in the form appended to the Monitor's application (the "**Restricted Court Access Order**").

EXTENSION TO THE STAY OF PROCEEDINGS

45. Pursuant to the Third Stay Extension Order, the Stay Period (as defined therein) will expire on September 12, 2025. The Monitor is now seeking the Fourth Stay Extension to October 17, 2025.
46. The Monitor supports the Stay Extension for the following reasons:
 - a) during the proposed Stay Extension, the Companies will have an opportunity to seek various options respecting obtaining an acceptable offer and closing on a transaction, subject to Court approval;
 - b) it will afford the Companies, through the Monitor, sufficient time to finish the administration of the CCAA Proceedings;
 - c) although liquidity is tight, the Companies are forecasted to have sufficient liquidity to continue operating in the ordinary course of business during the proposed Fourth Stay Extension;
 - d) no creditor of the Companies will be materially prejudiced by proposed Fourth Stay Extension; and
 - e) in the Monitor's opinion, the Companies have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

CONCLUSIONS AND RECOMMENDATIONS

47. The Monitor respectfully recommends that this Honourable Court grant the Fourth Stay Extension and the Restricted Court Access Order.

All of which is respectfully submitted this 3rd day of September, 2025.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of Royal Helium Ltd.,
Royal Helium Exploration Limited and Imperial Helium Corp., and
not in its personal or corporate capacity**



Orest Konowalchuk, CPA-CA, CIRP, LIT
Senior Vice-President



Bryan Krol, CIRP, LIT
Director

APPENDIX "A"

DRAFT - For Discussion Purposes
Private & Confidential

Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited (Collectively, the "Company")
Management Prepared Weekly Cash Flow Forecast
For the period from August 23, 2025 to October 17, 2025
unaudited, in CAD \$000's

		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
		Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36	Week 37	Total Week 30 to Week 37
	Notes	29-Aug-25	05-Sep-25	12-Sep-25	19-Sep-25	26-Sep-25	03-Oct-25	10-Oct-25	17-Oct-25	37
Receipts										
DIP Cash Advances	1	-	-	-	-	-	-	390	-	390
Non-Refundable Deposit	2	-	150	-	-	-	-	-	-	150
Other Receipts	3	-	-	-	-	-	-	-	-	-
Total Receipts		-	150	-	-	-	-	390	-	540
Operating Disbursements										
Payroll and Contractors	4	-	-	-	15	-	-	-	15	30
Facility Inspections	5	-	-	-	3	-	-	-	3	6
Insurance	6	-	-	5	10	-	-	5	-	19
Rent, Office, IT, and Other Miscellaneous	7	-	-	4	-	-	-	-	2	6
Contingency	8	-	-	3	-	-	-	-	5	8
Total Operating Disbursements		-	-	12	28	-	-	5	25	70
Net Cash Flow from Operations		-	150	(12)	(28)	-	-	386	(25)	470
Non-Operating Disbursements										
<u>Professional Fees</u>	9									
Companies Counsel's Fees		-	-	-	-	-	-	-	-	-
DIP Counsel Fees		-	-	-	-	-	-	220	-	220
Monitor's Fees		-	-	-	-	-	-	189	-	189
Monitor's Counsel's Fees		-	-	-	-	-	-	175	-	175
Total Non-Operating Disbursements		-	-	-	-	-	-	584	-	584
Net Cash Flow		-	150	(12)	(28)	-	-	(199)	(25)	(114)
Opening Cash		125	125	275	263	235	235	235	36	125
Net Cash Flow		-	150	(12)	(28)	-	-	(199)	(25)	(114)
Ending Cash		125	275	263	235	235	235	36	11	11
DIP Facility Reconciliation										
DIP Facility Maximum		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Opening Availability		390	390	390	390	390	390	390	-	-
DIP Draws		-	-	-	-	-	-	390	-	3,144
NOI DIP Repayment		-	-	-	-	-	-	-	-	(644)
Closing Availability		390	390	390	390	390	390	-	-	-
Total DIP Used		(2,110)	(2,110)	(2,110)	(2,110)	(2,110)	(2,110)	(2,500)	(2,500)	(2,500)
Calculation of DIP Interest and Fees										
Cumulative Commit Fee (1.5%)		38	38	38	38	38	38	38	38	38
Cumulative Interest (10%)		54	75	75	75	75	93	93	93	93
Total Facility Balance for Purposes of Interest Calc.		2,202	2,223	2,223	2,223	2,223	2,240	2,630	2,630	130

UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & MONITOR'S REPORT ON THE CASH FLOW STATEMENT



Orest Konowalchuk, LIT
Senior Vice President

Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited
(collectively, the "Companies")
Notes to Management Prepared 9-Week Cash Flow Forecast
For the period from August 23, 2025 to October 17, 2025

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Companies have relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("**CCAA**"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or protections will be realized. The Forecast is presented in thousands of Canadian dollars.*

Note 1 Other Receipts

Other receipts related to collected insurance claim proceeds with respect to the stolen property.

Note 2 Non-Refundable Deposit

On August 30, 2025, as a result of the Successful Bidder's failure to confirm its satisfaction or waiver of the Financing Condition, the Monitor informed the Successful Bidder that the Monitor was terminating the Amalgamation Agreement. The Successful Bidder had previously agreed and acknowledged that its deposit of \$150,000 was non-refundable following its initial failure to satisfy the Financing Condition.

Note 3 DIP Cash Advance

DIP financing to maintain the current state of operations with a DIP facility maximum of \$2,500,000.

Note 4 Payroll and Contractors

Forecast salaries, wages, statutory remittances and benefits related to the CEO, CFO, and contractors in order to maintain the current state of operations of the Company.

Note 5 Facility Inspections

Estimated monthly payments related to Monitor facility inspections for the Steeveville, Alberta property.

Note 6 Insurance

Monthly insurance payments related to property insurance for approximately \$10k per month and these payments are expected to be made on the 14th of each month. Week 32 insurance disbursements is related to the extension of the D&O insurance policy to September 30, 2025.

Note 8 Rent, Office, IT, and Other Miscellaneous

Forecast monthly utilities and IT costs, as well as other miscellaneous office expenses.

Note 8 Contingency

A contingency of \$8,000 has been included over the forecast period to account for possible unforeseen expenditures, plus any timing variance adjustments.

Note 9 Professional Fees

Expected professional fees to be paid to the Company's legal advisors, DIP Counsel, as well as the CCAA Monitor, and Monitor's Counsel.

Alvarez & Marsal Canada Inc., in its capacity as
Monitor of Royal Helium Ltd.
Imperial Helium Corp. and Royal Helium Exploration Limited
and not in its personal or corporate capacity



Orest Konowalchuk, LIT
Senior Vice President

**CONFIDENTIAL APPENDIX
SUMMARY OF PHASE II OFFERS**

