

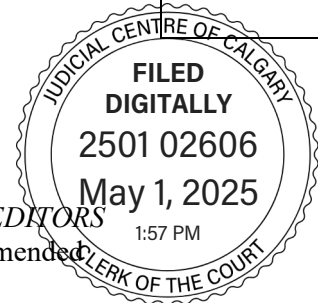
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COURT COURT OF KING'S BENCH OF ALBERTA

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 **SECOND REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**May 1, 2025**

ADDRESS FOR  
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CONTACT  
INFORMATION OF  
PARTY FILING THIS  
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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 "**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 Limited ("**DGT**" or the "**Proposal Trustee**") consented to act as Trustee under the NOIs.
2. 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 the NOIs were withdrawn;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 Canadian Western Bank and the Business Development Bank of Canada (collectively, and 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, specifying that the Amended Administration Charge (as defined below) shall secure the fees and disbursements of the Monitor and its legal counsel, and confirming that such charges attach to all of the Applicants' assets and property and continue 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 ("**BD&P**" or the "**Monitor's Counsel**") and the Applicants' legal counsel, Reconstruct LLP (the "**Companies' Counsel**") 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 \$1,500,000 ("**DIP Lenders' Charge**"); 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.

3. 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 shall be conducted by the Monitor in consultation with the Applicants and in accordance with the terms of the SISP.
4. On March 28, 2025 the Court granted a stay extension order (the “**First Stay Extension Order**”) which, among other things, extended the stay up to and including May 17, 2025, discharged Grant Thornton Limited as Proposal Trustee and approved the First Report of the Proposal Trustee and the fees of the Proposal Trustee and its counsel, Gowling WLG.
5. The Applicants are now seeking a stay extension order (the “**Second Stay Extension Order**”) that, among other things, extends the stay of proceedings from May 17, 2025, up to and including June 27, 2025 (the “**Stay Period**”).
6. All documents filed with respect to these CCAA Proceedings are posted on the Monitor's website at: [www.alvarezandmarsal.com/royalhelium](http://www.alvarezandmarsal.com/royalhelium) (“**Monitor's Website**”).
7. Capitalized terms not defined in the Monitor's second report (this “**Report**”) are as defined in the Initial Order, the SISP Approval Order, the Stay Extension Order, 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**”).

## **PURPOSE**

8. The purpose of this Report is for A&M, in its capacity as the Monitor of the Applicants, to provide the following information to this Honourable Court regarding:
  - a) the activities of the Monitor since the Monitor's first report (the “**First Report**”);

- b) the actual cash flow results of the Companies compared to their Consolidated Cash Flow Forecast (defined and discussed below);
- c) the status of the SISP;
- d) the Stay Extension; and
- e) the Monitor's overall recommendation in respect of the foregoing.

9. This Report should be read in conjunction with the April 28, 2025 Young Affidavit.

#### **TERMS OF REFERENCE AND DISCLAIMER**

10. 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 Applicants and has held discussions with the Applicants' management and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Applicants' 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.

11. Future oriented financial information referred to in this Report was prepared based on the Applicants' 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.
12. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

## **BACKGROUND**

### *Overview*

13. RHL is a public company that trades 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.
14. The Applicants 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 Applicants 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.
15. The Applicants have three wells tied into their helium purification facility located in Steveville, Alberta (the "**Steveville Facility**"). The Applicants' legacy drillings, well logs, and other geologic data suggest significant additional resources may exist within the Applicants' leasehold lands.
16. At present, the Companies' operations have been halted and are not generating any production. There are two employees that remain, the CEO and the CFO (together

as "**Management**"). The Companies also utilize contractors to preserve and protect the Steveville Facility.

17. Further information regarding the cause of the Applicants' insolvency and these CCAA Proceedings, including the Initial Order, the supporting affidavits, and the Pre-Filing Report of the Proposed Monitor are available on the Monitor's Website.

#### **ACTIVITIES OF THE MONITOR SINCE THE FIRST REPORT**

18. The Monitor's activities since the First Report have included, but are not limited to, the following:
  - a) conducting ongoing discussions with Management and the Companies' Counsel regarding the Business and the Companies' financial affairs;
  - b) reviewing and discussing weekly payables with Management;
  - c) reviewing the Companies' bank details and assisting the Companies with the compilation of their budget to actual reporting as well as extending the cash flow forecast, as needed, for purposes of communicating the same to the DIP Lenders;
  - d) engaging in various forms of correspondence with interested parties within the SISP about the Companies' business, the sales process and coordinating site tours as part of the interested parties' due diligence process;
  - e) reviewing and discussing with the DIP Lenders as well as the Companies the various non-binding letters of intent that were received as at the Phase 1 Bid Deadline, as defined within the SISP Procedure Document;
  - f) communicating with the Qualified Bidders who proceeded into Phase II of the SISP and providing additional information as requested;



- g) engaging in various communications with the DIP Lenders and their respective counsel on file matters, including the cash flow forecast and the SISP;
- h) responding to various correspondence from third parties inquiring about the CCAA proceedings; and
- i) holding discussions with the Monitor's Counsel regarding various matters pertaining to these CCAA proceedings.

#### **ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST**

19. The Companies' actual cash receipts and disbursements as compared to the Consolidated Cash Flow Forecast presented in the First Report during the period of March 15, 2025 to April 25, 2025 (the "**Reporting Period**") is summarized below.

<b>Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited (Collectively, the "Company")</b> <b>Cash Flow Variance Analysis</b> <b>For the period from March 15, 2025 to April 25, 2025</b> <i>\$CAD, thousands, unaudited</i>				
	YTD Weeks 1 - 12	Reporting Period Weeks 7 - 12		
	Actuals	Forecast	Actuals	Variance
<b>Receipts</b>				
Accounts Receivable	64	-	64	64
Retainer Receipt	-	50	-	(50)
Other Receipts	53	53	53	0
DIP Cash Advance	1,874	670	300	(370)
<b>Total Receipts</b>	<b>1,991</b>	<b>773</b>	<b>417</b>	<b>(356)</b>
<b>Operating Disbursements</b>				
Payroll and Contractors	216.72	101	98	3
Plant Security	-	18	-	18
Insurance	75.97	24	24	(0)
Rent, Office, IT, and Other Miscellaneous	54.38	106	54	52
Lease Payments	170.00	-	-	-
Contingency	-	43	-	43
<b>Total Operating Disbursements</b>	<b>517</b>	<b>292</b>	<b>176</b>	<b>116</b>
<b>Net Cash Flow from Operations</b>	<b>1,474</b>	<b>481</b>	<b>241</b>	<b>(240)</b>
<b>Non-Operating Disbursements</b>				
<u>Professional Fees</u>				
<i>Companies Counsel's Fees</i>	337	108	115	(6)
<i>DIP Counsel Fees</i>	83	98	-	98
<i>Proposal Trustee Fees</i>	48	-	15	(15)
<i>Proposal Trustee Counsel Fees</i>	36	-	1	(1)
<i>Monitor's Fees</i>	133	133	-	133
<i>Monitor's Counsel's Fees</i>	-	139	-	139
<i>Company Counsel Retainer and Monitor Retainer</i>	50	-	-	-
NOI DIP Repayment	644	-	-	-
<b>Total Non-Operating Disbursements</b>	<b>1,331</b>	<b>478</b>	<b>130</b>	<b>348</b>
<b>Net Cash Flow</b>	<b>143</b>	<b>3</b>	<b>111</b>	<b>108</b>
<b>Opening Cash</b>	<b>196</b>	<b>228</b>	<b>228</b>	<b>-</b>
Net Cash Flow	143	3	111	108
<b>Ending Cash</b>	<b>338</b>	<b>230</b>	<b>338</b>	<b>108</b>
<b>Opening Interim Financing Balance</b>	<b>-</b>	<b>930</b>	<b>930</b>	<b>-</b>
Advances	1,874	670	300	(370)
Repayments	-	-	-	-
NOI DIP Repayment	(644)	-	-	-
<b>Closing Interim Financing Balance</b>	<b>1,230</b>	<b>1,600</b>	<b>1,230</b>	<b>(370)</b>

20. Over the Reporting Period, the Companies experienced a positive cash flow variance of approximately \$108,000, primarily because of temporary timing differences, as well as some permanent variances, which are described below:

- a) a positive permanent variance related to accounts receivable collections being higher than projected during the Reporting Period;

- b) a negative timing variance relating to the delayed collection of aggregate retainers related to the Proposal Trustee and the Companies' Counsel;
  - c) a timing variance related to lower than forecasted DIP draws being required during the Reporting Period than originally forecasted;
  - d) a positive timing variance related to payroll and contractor expenses and the difference of when source deductions are withheld from payroll and required to be remitted to the government;
  - e) a positive permanent variance due to the Steeveville, Alberta security services not being implemented during the Reporting Period and payroll and contractor costs being marginally lower than originally projected;
  - f) a positive timing variance related to rent, office, IT, and other miscellaneous as well as contingency costs being lower than originally forecasted. Management has advised that costs related to rent, office, IT, and other miscellaneous as well as contingency will likely be higher in the go forward period. An additional timing variance is related to the delayed payment of certain professional fees during the Reporting Period; and
  - g) a negative permanent variance related to certain professional fees being higher than originally projected during the Reporting Period.
21. Actual opening cash as at March 15, 2025 was approximately \$228,000 and closing cash at the end of the Reporting Period was \$338,000.
22. The Companies borrowed approximately \$300,000 during the Reporting Period for purposes of funding operational and non-operational costs.

## UPDATED CASH FLOW FORECAST

23. For purposes of paragraph 10(2)(a) of the CCAA, the Companies have prepared an updated weekly cash flow forecast (the "**Third Cash Flow Forecast**") for the 11-week period from April 26, 2025 to July 11, 2025 (the "**Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Third Cash Flow Forecast. A copy of the Third Cash Flow Forecast, together with a summary of assumptions are attached hereto as Appendix "**A**".
24. The Third Cash Flow Forecast assumes that all ongoing costs of the business continue throughout the Forecast Period.
25. The Third Cash Flow Forecast is summarized below:

**Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited (Collectively, the "Company")**

**Management Prepared 11-Week Cash Flow Forecast  
For the period from April 26, 2025 to July 11, 2025**

*\$CAD, thousands, unaudited*

	<b>11 Week Total</b>
<b>Receipts</b>	
Accounts Receivable	-
Sales	-
Retainer Receipt	50
Other Receipts	-
DIP Cash Advance	950
<b>Total Receipts</b>	<b>1,000</b>
<b>Operating Disbursements</b>	
Payroll and Contractors	182
Plant Security	33
Insurance	21
Rent, Office, IT, and Other Miscellaneous	141
Lease Payments	-
Contingency	30
<b>Total Operating Disbursements</b>	<b>406</b>
<b>Net Cash Flow from Operations</b>	<b>594</b>
<b>Non-Operating Disbursements</b>	
<u>Professional Fees</u>	
<i>Companies Counsel's Fees</i>	84
<i>DIP Counsel Fees</i>	210
<i>Monitor's Fees</i>	309
<i>Monitor's Counsel's Fees</i>	198
D&O Insurance	100
<b>Total Non-Operating Disbursements</b>	<b>900</b>
<b>Net Cash Flow</b>	<b>(306)</b>
<b>Opening Cash</b>	338
Net Cash Flow	(306)
<b>Ending Cash</b>	<b>32</b>
<b>Opening Interim Financing Balance</b>	<b>1,230</b>
Advances	950
Repayments	-
<b>Closing Interim Financing Balance</b>	<b>2,180</b>

26. An overview of the Third Cash Flow Forecast and select assumptions include the following:

- a) total projected cash receipts of approximately \$1.0 million, which is inclusive of DIP advances of approximately \$950,000;
  - b) total forecast operating cash disbursements forecast of approximately \$406,000 relating primarily to payroll, insurance, and administrative costs; and
  - c) forecast non-operating cash disbursements of approximately \$900,000, primarily relating to the forecast payment of the fees incurred by Monitor, the Monitor's counsel, and the Applicants' counsel, as well as directors and offices insurance deductible which is to be held in trust by the Monitor.
27. Accordingly, there is negative net cash flow over the Forecast Period of approximately \$306,000, with the expectation that the Companies will draw on the New DIP Facility of approximately \$950,000, bringing the total borrowings under the New DIP Facility to \$2.2 million.
28. The Third Cash Flow Forecast is based on assumptions by Management regarding future events. Management 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 Third 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.
29. The Third 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.

#### **SISP UPDATE**

30. As at the Phase 1 Bid Deadline of March 28, 2025 at 5:00pm mountain standard time, the Monitor received nine non-binding letters of intent (“**LOIs**”) in

accordance with the terms of the approved SISP Procedures (the “**Phase 1 Bids**”). The nine Phase 1 Bids varied in both proposed purchase price as well as the complement of assets subject to each bid. Subsequently, the Phase 1 Bids were assessed by the Monitor in consultation with the Companies and the DIP Lenders. Ultimately, the parties and their advisors determined that seven of the nine Phase 1 Bids would proceed to Phase II of the SISP (the “**Qualified Bidders**”).

31. On April 15, 2025, an agreement was reached amongst the Companies, the DIP Lenders and the Monitor that the Phase II Bid Deadline should be extended by one week from April 18, 2025 to April 25, 2025. It was determined that the Easter statutory holiday weekend of April 18 to 21, 2025, meant that banks and other financial institutions would be closed, and it would complicate the ability of Qualified Bidders to wire the required deposit with their bids. In addition, one of the Qualified Bidders requested an extension to allow them the opportunity to strengthen their bid.
32. During the Phase II diligence period, two of the seven Qualified Bidders indicated that they would not be submitting an offer by the Phase II Bid Deadline.
33. On April 25, 2025, the Monitor received bids from four of the five Qualified Bidders (the “**Phase II Bids**”). The Monitor, in consultation with the Companies and the DIP Lenders, is currently in the process of assessing the Phase II Bids received.
34. The Monitor will report to this Honourable Court regarding the results of the SISP in a subsequent Report filed in connection with Applicants' next court hearing.

#### **EXTENSION OF THE STAY OF PROCEEDINGS**

35. Pursuant to the Stay Extension Order dated March 28, 2025, the Stay Period (as defined therein) will expire on May 17, 2025. The Applicants are seeking an extension of the Stay Period to June 27, 2025 (the “**Stay Extension**”).
36. The Monitor supports the Stay Extension for the following reasons:

- a) during the proposed Stay Extension, the Applicants will have an opportunity to evaluate the Phase II Bids, negotiate an agreement with the Successful Bidder and potentially close a transaction, subject to Court approval;
- b) it will afford the Applicants and the Monitor sufficient time to advance, and possibly complete, the administration of the CCAA Proceedings;
- c) the Applicants are forecasted to have sufficient liquidity to continue operating in the ordinary course of business during the proposed Stay Extension;
- d) no creditor of the Companies will be materially prejudiced by proposed 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**

37. Based on the current information that the Companies have made available to the Monitor, the Monitor respectfully recommends that this Honourable Court approve the Stay Extension Order substantially in the form appended to the Application.



All of which is respectfully submitted this 1<sup>st</sup> day of May, 2025.

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



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



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Bryan Krol, CIRP  
Director

## **APPENDIX "A"**

Royal Helium Ltd., Imperial Helium Corp. and Royal Helium Exploration Limited (Collectively, the "Company")  
Management Prepared 11-Week Cash Flow Forecast  
For the period from April 26, 2025 to July 11, 2025  
unaudited, in CAD \$000's

		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total Week 13 to Week 23
		Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	
	Notes	02-May-25	09-May-25	16-May-25	23-May-25	30-May-25	06-Jun-25	13-Jun-25	20-Jun-25	27-Jun-25	04-Jul-25	11-Jul-25	
<b>Receipts</b>													
Accounts Receivable		-	-	-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-	-	-
Retainer Receipt	1	-	-	50	-	-	-	-	-	-	-	-	50
Other Receipts	2	-	-	-	-	-	-	-	-	-	-	-	-
DIP Cash Advances	3	-	285	-	250	-	-	275	-	140	-	-	950
<b>Total Receipts</b>		-	285	50	250	-	-	275	-	140	-	-	1,000
<b>Operating Disbursements</b>													
Payroll and Contractors	4	30	-	32	-	30	-	30	-	30	-	30	182
Plant Security	5	3	3	3	3	3	3	3	3	3	3	3	33
Insurance	6	-	-	10	-	-	-	-	10	-	-	-	21
Rent, Office, IT, and Other Miscellaneous	7	13	13	13	13	13	13	13	13	13	13	13	141
Lease Payments	8	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	9	3	3	3	3	3	3	3	3	3	3	3	30
<b>Total Operating Disbursements</b>		48	18	61	18	48	18	48	29	48	18	48	406
<b>Net Cash Flow from Operations</b>		(48)	267	(11)	232	(48)	(18)	227	(29)	92	(18)	(48)	594
<b>Non-Operating Disbursements</b>													
<u>Professional Fees</u>	10	-	26	-	-	-	-	29	-	-	29	-	84
Companies Counsel's Fees		-	60	-	75	-	-	38	-	-	38	-	210
DIP Counsel Fees		-	-	-	-	-	-	-	-	-	-	-	-
Proposal Trustee Fees		-	-	-	-	-	-	-	-	-	-	-	-
Proposal Trustee Counsel Fees		-	-	-	-	-	-	-	-	-	-	-	-
Monitor's Fees		-	106	-	-	100	-	51	-	-	51	-	309
Monitor's Counsel's Fees		-	75	-	70	24	-	14	-	-	14	-	198
Company Counsel Retainer and Monitor Retainer		-	-	-	-	-	-	-	-	-	-	-	-
D&O Insurance	11	-	-	-	100	-	-	-	-	-	-	-	100
NOI DIP Repayment	12	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Disbursements</b>		-	266	-	245	124	-	132	-	-	132	-	900
<b>Net Cash Flow</b>		(48)	0	(11)	(13)	(173)	(18)	94	(29)	92	(151)	(48)	(306)
<b>Opening Cash</b>		338	290	290	279	266	93	75	169	140	232	81	338
Net Cash Flow		(48)	0	(11)	(13)	(173)	(18)	94	(29)	92	(151)	(48)	(306)
<b>Ending Cash</b>		290	290	279	266	93	75	169	140	232	81	32	32
<b>DIP Facility Reconciliation</b>													
DIP Facility Maximum		1,270	1,270	985	985	735	735	735	460	460	320	320	320
DIP Draws		-	285	-	250	-	-	275	-	140	-	-	2,824
NOI DIP Repayment		-	-	-	-	-	-	-	-	-	-	-	(644)
<b>DIP Facility Availability</b>		1,270	985	985	735	735	735	460	460	320	320	320	320
<b>Cumulative DIP Draw (Principal)</b>													
Cumulative DIP Draw (Principal)		1,874	2,159	2,159	2,409	2,409	2,409	2,684	2,684	2,824	2,824	2,824	2,824
Cumulative Commit Fee (1.5%)		38	38	38	38	38	38	38	38	38	38	38	38
Cumulative Interest (10%)		23	23	23	23	23	40	40	40	40	61	61	61
<b>Total Facility Balance for Purposes of Interest Calc.</b>		1,934	2,219	2,219	2,469	2,469	2,487	2,762	2,762	2,902	2,923	2,923	2,923
<b>Total Interest (10%)</b>		-	-	-	-	17	-	-	-	21	-	-	61

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

David Young

David Young  
Director

Orest Konowalchuk, LIT  
Senior Vice President

**Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited**  
(collectively, the "Companies")  
**Notes to Management Prepared 11 Week Cash Flow Forecast**  
**For the period from April 26, 2025 to July 11, 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 projections will be realized. The Forecast is presented in thousands of Canadian dollars.*

**Note 1 Retainer Receipt**

Aggregate retainers related to Proposal Trustee and Company Counsel.

**Note 2 Other Receipts**

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

**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 Plant Security**

Estimated weekly security payments related to security services provided for the Steeveville, Alberta property.

**Note 6 Insurance**

Monthly insurance payments related to facility insurance and D&O insurance. Payments are primarily forecasted to be made on the 14th of each month.

**Note 7 Rent, Office, IT, and Other Miscellaneous**

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

**Note 8 Lease Payments**

Lease payments related to operational leased land. The Saskatchewan 2025 lease renewal payment (\$169,265) is due on April 30, 2025 and the Saskatchewan deposit for ARO (\$119,125) is past due, however the 13-Week Cash Flow Forecast does not reflect these two payments. The ARO deposit that the Company maintains with the Saskatchewan government currently has approximately \$101,550 CAD held in deposit. The Company is required to additionally fund approximately \$119,125, which was due January 5, 2025. Since the Company has not had the ability to pay this out of available cash and then due to the subsequent CCAA filing, these amounts are not contemplated to be paid during the 13 week cash flow period. There is no licensure that is affected to the best of Management's knowledge while this amount remains due. It is the Company's expectation that these amounts will be paid by a future owner or otherwise after the conclusion of a SISP process, which the government will require prior to transferring the Saskatchewan permits and leases.

**Note 9 Contingency**

A weekly contingency of \$3,000 has been included to account for possible unforeseen expenditures, plus any timing variance adjustments.

**Note 10 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.

**Note 11 D&O Insurance**

Directors and officers insurance deductible to be paid to the Monitor to be held in trust in the event any statutory claims, particularly around unpaid wages during the pre-filing period need to be paid.

**Note 12 NOI DIP Repayment**

NOI DIP Repayment relates to initial draw on DIP Lender Facility to pay down Former DIP Facility provided by Energy & Specialty Gases, LLC.

Royal Helium Ltd.  
Imperial Helium Corp.  
Royal Helium Exploration Limited

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

*David Young*

David Young  
Director



Orest Konowalchuk, LIT  
Senior Vice President