

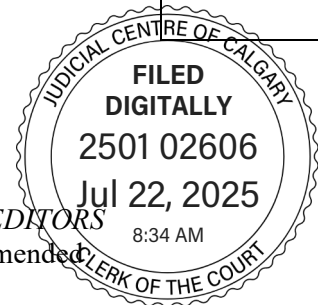
COURT FILE NUMBER 2501-02606

Clerk's Stamp

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

July 21, 2025

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

CCAA MONITOR
ALVAREZ & MARSAL CANADA INC.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, Alberta T2P 3H7
Orest Konowalchuk / Bryan Krol
Telephone: (403) 538-4736 / (403) 538 -7523
Email: okonowalchuk@alvarezandmarsal.com
bkrol@alvarezandmarsal.com

COUNSEL
Burnet, Duckworth & Palmer LLP
Barristers & Solicitors
David LeGeyt / Jessica MacKinnon
Phone: 403.260.0210 / 403.260.0112
Email: dlegeyt@bdplaw.com / jmackinnon@bdplaw.com



TABLE OF CONTENTS

| | |
|---|-----------|
| INTRODUCTION | 3 |
| PURPOSE..... | 6 |
| TERMS OF REFERENCE AND DISCLAIMER | 6 |
| BACKGROUND | 7 |
| ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT | 8 |
| ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST | 9 |
| UPDATED CASH FLOW FORECAST | 12 |
| SISP UPDATE..... | 14 |
| EXTENSION OF THE STAY OF PROCEEDINGS | 15 |
| CONCLUSIONS AND RECOMMENDATIONS..... | 16 |

APPENDICES

| | |
|-------------------|---------------------------------|
| APPENDIX A | Fifth Cash Flow Forecast |
|-------------------|---------------------------------|

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 Limited ("**DGT**" or the "**Proposal Trustee**") consented to act as the Proposal 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 (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; 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 was directed to 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 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.
5. 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.
6. 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.
7. The Monitor is now seeking a further stay extension order (the "**Third Stay Extension Order**", and together with the First Stay Extension Order and the Second Stay Extension Order, collectively, the "**Stay Extension Orders**") that, among other things, extends the stay of proceedings in respect of the Companies from August 1, 2025, up to and including September 12, 2025 (the "**Stay Period**").
8. 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**").

9. Capitalized terms not defined in this Fourth Report are as defined in the Initial Order, the SISP Approval 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 Reports.

PURPOSE

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

TERMS OF REFERENCE AND DISCLAIMER

11. 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.
12. 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.
13. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

BACKGROUND

Overview

14. 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.
15. 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.

16. The Companies have three wells tied into their helium purification facility located in Steveville, 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.
17. At present, the Companies' operations have been halted and are not generating any production. The two remaining employees, the CEO and the CFO (together as "**Former Management**"), have officially resigned shortly after the Monitor was granted enhanced powers on June 10, 2025 by this Honourable Court. The Companies also utilize contractors to preserve and protect the Steveville Facility.
18. Further information regarding the cause of the Companies' insolvency and these CCAA Proceedings, including the Initial Order, the supporting affidavits, and the Pre-Filing Report are available on the Monitor's Website.

ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

19. The Monitor's activities as a result of the enhanced powers granted to the Monitor since the Third Report 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 managed by Former Management, such as insurance related matters, vendor communication and negotiating exclusively with the Successful Bidder, while providing instructions to Former Management who are now acting in a consulting capacity;
 - 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 communications and negotiations with the Successful Bidder regarding the form of sales agreement to be entered into, which the Companies and the Monitor remain in a 60-day exclusivity agreement with, which is subject to lapse on July 22, 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 various communications with the DIP Lenders as well as the Companies with respect to advancing the sale agreement 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 a sales agreement with the Successful Bidder.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

20. The Companies' actual cash receipts and disbursements as compared to the Consolidated Cash Flow Forecast presented in the Third Report during the period of May 24, 2025 to July 11, 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 May 24, 2025 to July 11, 2025 | | | | |
| \$CAD, thousands, unaudited | | | | |
| | YTD Weeks 1 - 23 | Reporting Period Weeks 17 - 23 | | |
| | Actuals | Forecast | Actuals | Variance |
| Receipts | | | | |
| Accounts Receivable | 64 | - | - | - |
| Retainer Receipt | - | - | - | - |
| Other Receipts | 53 | - | - | - |
| DIP Cash Advance | 2,424 | 800 | 550 | (250) |
| Total Receipts | 2,541 | 800 | 550 | (250) |
| Operating Disbursements | | | | |
| Payroll and Contractors | 347 | 75 | 71 | 4 |
| Plant Security | - | 18 | - | 18 |
| Insurance | 97 | 46 | 10 | 36 |
| Rent, Office, IT, and Other Miscellaneous | 65 | 19 | 10 | 9 |
| Lease Payments | 170 | - | - | - |
| Contingency | - | 16 | - | 16 |
| Total Operating Disbursements | 679 | 174 | 91 | 83 |
| Net Cash Flow from Operations | 1,862 | 626 | 459 | (167) |
| Non-Operating Disbursements | | | | |
| <u>Professional Fees</u> | | | | |
| Companies Counsel's Fees | 371 | 30 | 9 | 22 |
| DIP Counsel Fees | 83 | 60 | - | 60 |
| Proposal Trustee Fees | 48 | - | - | - |
| Proposal Trustee Counsel Fees | 36 | - | - | - |
| Monitor's Fees | 407 | 353 | 274 | 79 |
| Monitor's Counsel's Fees | 232 | 215 | 157 | 58 |
| Company Counsel Retainer and Monitor Retainer | 50 | - | - | - |
| D&O Insurance | 100 | 100 | 100 | - |
| NOI DIP Repayment | 644 | - | - | - |
| Total Non-Operating Disbursements | 1,971 | 759 | 539 | 219 |
| Net Cash Flow | (109) | (133) | (81) | 52 |
| Opening Cash | 196 | 167 | 167 | - |
| Net Cash Flow | (109) | (133) | (81) | 52 |
| Ending Cash | 87 | 34 | 87 | 52 |
| DIP Facility Maximum | 2,500 | 2,500 | 2,500 | 2,500 |
| Opening Availability | 2,500 | 1,270 | 1,270 | - |
| Advances | 2,424 | 800 | 550 | (250) |
| Repayments | - | - | - | - |
| NOI DIP Repayment | (644) | - | - | - |
| Closing Availability | 720 | 470 | 720 | (250) |
| Total DIP Used | 1,780 | 2,030 | 1,780 | (250) |

21. Over the Reporting Period, the Companies experienced a positive cash flow variance of approximately \$52,000, primarily because of temporary timing differences, as well as some permanent variances, which are described below:

Permanent Variances

- a) a positive variance of approximately \$18,000 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 to ensure the property remains in good standing.

- b) A positive variance of approximately \$16,000 relating to contingency costs that were forecasted but have not been incurred;
- c) a positive variance of approximately \$22,000 related to Company Counsel professional fees being lower than originally forecasted.

Timing Variances

- a) 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).
- b) positive variance related to lower-than-expected payments of certain payroll and contractor fees during the Reporting Period that are expected to reverse in the Forecast Period (as defined below);
- c) positive variance related to delayed payment of certain insurance policy renewals during the Reporting Period;
- d) positive variance related to rent, office, IT, and other miscellaneous costs that are expected to be paid in the Forecast Period (as defined below); and
- e) 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).

- 22. Closing cash on hand as at July 11, 2025 was \$87,000.
- 23. The Companies borrowed approximately \$550,000 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 July 11, 2025, approximately \$720,000 remains available to borrow.

UPDATED CASH FLOW FORECAST

24. For purposes of paragraph 10(2)(a) of the CCAA, the Companies have prepared an updated weekly cash flow forecast (the "**Fifth Cash Flow Forecast**") for the 9-week period from July 12, 2025 to September 12, 2025 (the "**Forecast Period**"), using the probable and hypothetical assumptions set out in the notes to the Fifth Cash Flow Forecast. A copy of the Fifth Cash Flow Forecast, together with a summary of assumptions are attached hereto as Appendix "**A**".
25. The Fifth Cash Flow Forecast assumes that all ongoing costs of the business continue throughout the Forecast Period.
26. The Fifth Cash Flow Forecast is summarized below:

| Royal Helium Ltd., Imperial Helium Corp, and Royal Helium Exploration Limited (Collectively, the "Company") Management Prepared 9-Week Cash Flow Forecast For the period from July 12, 2025 to September 12, 2025 <i>\$CAD, thousands, unaudited</i> | |
|--|---------------------|
| | 9 Week Total |
| Receipts | |
| DIP Cash Advance | 720 |
| Other Receipts | - |
| Total Receipts | 720 |
| Operating Disbursements | |
| Payroll, Consulting, and Administration Costs | 62 |
| Facility Inspections | 9 |
| Insurance | 80 |
| Rent, Office, IT, and Other Miscellaneous | 6 |
| Contingency | 20 |
| Total Operating Disbursements | 176 |
| Net Cash Flow from Operations | 544 |
| Non-Operating Disbursements | |
| <u>Professional Fees</u> | |
| <i>Companies Counsel's Fees</i> | 1 |
| <i>DIP Counsel Fees</i> | 220 |
| <i>Monitor's Fees</i> | 198 |
| <i>Monitor's Counsel's Fees</i> | 198 |
| Total Non-Operating Disbursements | 617 |
| Net Cash Flow | (73) |
| Opening Cash | 87 |
| Net Cash Flow | (73) |
| Ending Cash | 14 |
| Opening Interim Financing Balance | 1,780 |
| Advances | 720 |
| Repayments | - |
| Closing Interim Financing Balance | 2,500 |

27. An overview of the Fifth Cash Flow Forecast and select assumptions include the following:
- a) total projected cash receipts of approximately \$720,000 which relates solely to DIP advances;

- b) total forecast operating cash disbursements forecast of approximately \$176,000 relating primarily to payroll, consulting fees, insurance, and administrative costs; and
 - c) forecast non-operating cash disbursements of approximately \$617,000, primarily relating to the forecast payment of the fees incurred by Monitor, Monitor's Counsel, and the DIP Lenders' counsel.
- 28. Accordingly, there is negative net cash flow over the Forecast Period of approximately \$73,000, with the expectation that the Companies will draw on the New DIP Facility in the approximate amount of \$720,000, 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.
- 29. The Fifth 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 Fifth 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.
- 30. The Fifth 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

- 31. The Companies and the Monitor entered into an exclusivity agreement (the "**Exclusivity Agreement**") with the Successful Bidder on May 23, 2025. The Exclusivity Agreement stipulated a 60-day term, which is set to lapse on July 22, 2025. Since the Third Report dated June 3, 2025, the Monitor, acting with its

enhanced powers, have been advancing efforts to finalize an agreement with the Successful Bidder.

32. Over the past month, the form of agreement had changed at the request of the Successful Bidder, which has resulted in additional considerations and a re-write of the proposed agreement and related court materials. This, along with the delay in finalizing the Successful Bidder's financing, has delayed the parties from entering into a final agreement and seeking court approval. The Monitor will seek approval of the final agreement and related transactions (the "**Transaction**") once the final agreement has been executed. The Successful Bidder has advised that it intends to execute the final agreement in the coming days, and expects to close the Transaction in August 2025, subject to Court approval.
33. The Transaction is expected to consist of an Amalgamation Agreement, which will be affected by way of a Reverse Vesting Order, which will result in a residual company ("**ResidualCo**") that will host all non-assumed liabilities. The Monitor has booked time with the Court on August 26, 2025 in anticipation of seeking Court approval of the Transaction.

EXTENSION OF THE STAY OF PROCEEDINGS

34. Pursuant to the EMP Order, the Stay Period (as defined therein) will expire on August 1, 2025. The Monitor is now seeking an extension of the Stay Period to September 12, 2025 on behalf of the Companies (the "**Stay Extension**").
35. The Monitor supports the Stay Extension for the following reasons:
 - a) during the proposed Stay Extension, the Companies will have an opportunity to finalize the agreement with the Successful Bidder and potentially close the Transaction, subject to Court approval;
 - b) it will afford the Companies, through the Monitor, sufficient time to advance and sign the Transaction and finish administration of the CCAA Proceedings;

- c) the Companies 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

36. The Monitor respectfully recommends that this Honourable Court approve the Third Stay Extension Order granting the proposed Stay Extension.

All of which is respectfully submitted this 21st day of July, 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"

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

Management Prepared Weekly Cash Flow Forecast

For the period from July 12, 2025 to September 12, 2025

unaudited, in CAD \$000's

| | | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
|--|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|
| | | Week 24 | Week 25 | Week 26 | Week 27 | Week 28 | Week 29 | Week 30 | Week 31 | Week 32 | Total Week 24 to Week 32 |
| | Notes | 18-Jul-25 | 25-Jul-25 | 01-Aug-25 | 08-Aug-25 | 15-Aug-25 | 22-Aug-25 | 29-Aug-25 | 05-Sep-25 | 12-Sep-25 | |
| Receipts | | | | | | | | | | | |
| DIP Cash Advances | 1 | 200 | - | 130 | - | - | 250 | - | - | 140 | 720 |
| Other Receipts | 2 | - | - | - | - | - | - | - | - | - | - |
| Total Receipts | | 200 | - | 130 | - | - | 250 | - | - | 140 | 720 |
| Operating Disbursements | | | | | | | | | | | |
| Payroll, Consulting, and Administration Costs | 3 | - | 32 | - | - | 15 | - | - | - | 15 | 62 |
| Facility Inspections | 4 | - | 3 | - | - | 3 | - | - | - | 3 | 9 |
| Insurance | 5 | 10 | 59 | - | - | 10 | - | - | - | - | 80 |
| Rent, Office, IT, and Other Miscellaneous | 6 | - | 2 | - | - | 2 | - | - | - | 2 | 6 |
| Contingency | 7 | - | 5 | - | 5 | - | 5 | - | 5 | - | 20 |
| Total Operating Disbursements | | 10 | 101 | - | 5 | 30 | 5 | - | 5 | 20 | 176 |
| Net Cash Flow from Operations | | 190 | (101) | 130 | (5) | (30) | 245 | - | (5) | 120 | 544 |
| Non-Operating Disbursements | | | | | | | | | | | |
| <u>Professional Fees</u> | 8 | | | | | | | | | | |
| Companies Counsel's Fees | | - | 1 | - | - | - | - | - | - | - | 1 |
| DIP Counsel Fees | | - | - | 110 | - | - | 110 | - | - | - | 220 |
| Monitor's Fees | | - | - | 73 | - | - | 65 | - | - | 60 | 198 |
| Monitor's Counsel's Fees | | 83 | - | - | - | - | 65 | - | - | 50 | 198 |
| Total Non-Operating Disbursements | | 83 | 1 | 183 | - | - | 240 | - | - | 110 | 617 |
| Net Cash Flow | | 106 | (101) | (53) | (5) | (30) | 5 | - | (5) | 10 | (73) |
| Opening Cash | | 87 | 193 | 92 | 39 | 34 | 4 | 9 | 9 | 4 | 87 |
| Net Cash Flow | | 106 | (101) | (53) | (5) | (30) | 5 | - | (5) | 10 | (73) |
| Ending Cash | | 193 | 92 | 39 | 34 | 4 | 9 | 9 | 4 | 14 | 14 |
| DIP Facility Reconciliation | | | | | | | | | | | |
| DIP Facility Maximum | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Opening Availability | | 720 | 520 | 520 | 390 | 390 | 390 | 140 | 140 | 140 | 0 |
| DIP Draws | | 200 | - | 130 | - | - | 250 | - | - | 140 | 3,144 |
| NOI DIP Repayment | | - | - | - | - | - | - | - | - | - | (644) |
| Closing Availability | | 520 | 520 | 390 | 390 | 390 | 140 | 140 | 140 | 0 | 0 |
| Total DIP Used | | (1,980) | (1,980) | (2,110) | (2,110) | (2,110) | (2,360) | (2,360) | (2,360) | (2,500) | (2,500) |
| Calculation of DIP Interest and Fees | | (1,980) | (1,980) | (2,110) | (2,110) | (2,110) | (2,360) | (2,360) | (2,360) | (2,500) | (2,500) |
| Cumulative Commit Fee (1.5%) | | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Cumulative Interest (10%) | | 39 | 39 | 54 | 54 | 54 | 54 | 54 | 77 | 77 | 77 |
| Total Facility Balance for Purposes of Interest Calc. | | 2,056 | 2,056 | 2,202 | 2,202 | 2,202 | 2,452 | 2,452 | 2,474 | 2,614 | 114 |

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 July 12, 2025 to September 12, 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 DIP Cash Advance

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

Note 3 Payroll, Consulting, and Administration Costs

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 4 Facility Inspections

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

Note 5 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. Cash advance for renewal of certain policies to be paid week ending July 25th for approximately \$59K.

Note 6 Rent, Office, IT, and Other Miscellaneous

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

Note 7 Contingency

A contingency of \$20,000 has been included over the forecast period to account for possible unforeseen expenditures, plus any timing variance adjustments.

Note 8 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