avanti helium

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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Independent Auditor's Report

To the Shareholders of Avanti Helium Corp.

Opinion

We have audited the consolidated financial statements of Avanti Helium Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $4,469,770 during the year ended December 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets by $2,095,540. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Exploration and Evaluation Assets - Assessment of Whether Indicators of Impairment Exist - Refer to Notes 3 and 6 of the Financial Statements.

Key Audit Matter Description

The Company's determination of whether or not an indicator of impairment exists requires significant management judgment.

Auditing the Company's assessment of whether an indicator of impairment existed as at December 31, 2024 required increased auditor attention due to the judgments made by management when determining whether events or changes in circumstances could indicate a potential impairment. This resulted in an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether an indicator of impairment existed in exploration and evaluation assets included the following, among others:

- Obtained management's assessment and evaluated whether; a) the Company has the right to explore in the specific area; b) the occurrence and commitment to substantive expenditures in the specific area is budgeted or planned; c) there are any changes in the status of commercially viable quantities of mineral resource, and d) sufficient data exists to indicate that the carrying amount of the exploration and evaluation assets is likely to be recovered in full from successful development or by sale.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is David Langlois.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
April 22, 2025

Avanti Helium Corp.

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(Canadian dollars)

	Notes	December 31, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents		$ 105,652	$ 1,407,804
Receivables		331,761	57,949
Deposits		18,977	18,977
Prepaid expenses		54,597	39,500
		510,987	**1,524,230**
Non-current assets			
Exploration and evaluation assets	6	22,178,624	22,418,109
Reclamation bonds		62,547	62,547
Property, plant and equipment	7	4,858,147	4,623,087
		$ 27,610,305	**$ 28,627,973**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 2,591,910	$ 2,354,211
Current portion of lease liability	9	14,617	14,842
		2,606,527	**2,369,053**
Non-current liabilities			
Decommissioning obligation	8	239,952	200,664
Lease liability	9	259,797	236,196
		$ 3,106,276	**$ 2,805,913**
SHAREHOLDERS' EQUITY			
Share capital	10 (b)	60,270,658	58,326,062
Share subscription received	10 (b)	300,120	-
Equity reserves	10 (e)	12,343,423	12,260,866
Accumulated other comprehensive income		1,155,853	331,387
Deficit		(49,566,025)	(45,096,255)
		24,504,029	25,822,060
		$ 27,610,305	**$ 28,627,973**

The accompanying notes form an integral part of these consolidated financial statements

Going Concern	2
Financial Instruments	14

On Behalf of the Board of Directors:

Chris Bakker" signed
Chris Bakker, CEO & Director

"*Brad Krizan*" signed
Brad Krizan, Director

(Canadian dollars)

	Notes	December 31, 2024	December 31, 2023
Expenses			
General and administration		$ 2,725,651	$ 3,879,900
Impairment	6, 7, 14 (c)	1,255,046	5,880,686
Exploration		250,172	586,562
Depreciation, and accretion	7, 8, 9	87,953	26,836
Share-based compensation	10 (d)	64,175	894,851
Public company		34,790	80,342
Marketing		16,852	65,470
OPERATING LOSS		**(4,434,639)**	**(11,414,647)**
OTHER INCOME (EXPENSES)			
Interest income		-	6,784
Interest expense		(44,014)	(18,877)
Gain (loss) on sale of assets		-	(208,778)
Foreign exchange gain (loss)		8,883	(9,134)
NET LOSS		**(4,469,770)**	**(11,644,652)**
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified subsequent to net loss			
Foreign currency translation adjustment		824,466	(488,350)
NET LOSS AND COMPREHENSIVE LOSS		**$ (3,645,304)**	**$ (12,133,002)**
WEIGHT AVERAGE NUMBER OF SHARES			
Basic and diluted	11	93,777,556	78,291,877
LOSS PER COMMON SHARE			
Basic and diluted		**$ (0.05)**	**$ (0.15)**

The accompanying notes form an integral part of these consolidated financial statements

(Canadian dollars)

	Notes	Share capital	Share subscription received	Equity reserves	Accumulated other comprehensive income	Deficit	Total
Balance, December 30, 2022		**$ 48,072,148**	**$ -**	**$ 10,269,431**	**$ 819,737**	**$ (33,451,603)**	**$ 25,709,713**
Share issuance: offerings - placements	10 (b)	11,114,590	-	(96,092)	-	-	11,018,498
Reclassification of warrant issuance expense		(243,575)	-	243,575			-
Unit warrants issued	10 (b), (c)	(722,834)	-	722,834	-	-	-
Broker warrants issued	10 (b), (c)	(270,576)	-	270,576	-	-	-
Warrants exercised	10 (b), (c)	376,309	-	(44,309)	-	-	332,000
Share-based compensation	10 (d)	-	-	894,851	-	-	894,851
Translation gain (loss) on foreign operations		-	-	-	(488,350)	-	(488,350)
Net loss		-	-	-	-	(11,644,652)	(11,644,652)
Balance, December 31, 2023		**$ 58,326,062**	**$ -**	**$ 12,260,866**	**$ 331,387**	**$ (45,096,255)**	**$ 25,822,060**
Share issuance: offerings - placements	10 (b)	1,551,728	-	(1,067)	-	-	1,550,661
Share issuance: shares-for-debt	10 (b)	412,317	-	-			412,317
Receipt on subsequent share offering	10 (b)	-	300,120	-			300,120
Unit warrants issued	10 (b), (c)	(15,000)	-	15,000	-	-	-
Broker warrants issued	10 (b), (c)	(4,449)	-	4,449	-	-	-
Share-based compensation	10 (d)	-	-	64,175	-	-	64,175
Translation gain (loss) on foreign operations		-	-	-	824,466	-	824,466
Net loss		-	-	-	-	(4,469,770)	(4,469,770)
Balance, December 31, 2024		**$ 60,270,658**	**$ 300,120**	**$ 12,343,423**	**$ 1,155,853**	**$ (49,566,025)**	**$ 24,504,029**

The accompanying notes form an integral part of these consolidated financial statements

(Canadian dollars)

	Notes	December 31, 2024	December 31, 2023
OPERATING ACTIVITIES			
Net loss for period		$ (4,469,770)	$ (11,644,652)
Items not affecting cash:			
Impairment	6, 7, 14 (c)	1,255,046	5,880,686
Depreciation and accretion	7, 8, 9	87,953	26,836
Share-based compensation	10 (d)	64,175	894,851
Interest		44,014	14,499
Loss on sale of exploration and evaluation assets	6	-	208,778
Decommissioning obligation settlement		(236)	(30,268)
Foreign exchange gain		(32,308)	(139,578)
Changes in non-cash working capital items:			
Changes in accounts payable and accrued liabilities		17,523	(2,107,196)
Changes in deposits		-	(18,977)
Changes in prepaid expenses		(15,097)	45,481
Changes in receivables		(273,812)	137,829
Cash used in operating activities		**(3,322,512)**	**(6,731,711)**
FINANCING ACTIVITIES			
Net proceeds from private placements	10 (b)	1,559,003	11,018,498
Shares for debt settlement, net of costs	10 (b)	403,975	-
Warrants exercised	10 (b) (c)	-	332,000
Shares received in advance of private placement	10 (b)	300,120	-
Lease payments	9	(16,743)	(89,079)
Cash provided by financing activities		**2,246,355**	**11,261,419**
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures	6	(67,069)	(1,926,014)
Proceeds on disposal of exploration and evaluation assets		99,874	275,087
Transfer out of exploration and evaluation assets		-	4,946
Property, plant and equipment expenditures	7	(737,416)	(4,303,844)
Proceeds on disposal of property, plant and equipment		472,570	-
Cash used in investing activities		**(232,041)**	**(5,949,825)**
Effect of foreign exchange on cashflows		6,046	(3,372)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,302,152)	(1,423,489)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,407,804	2,831,293
CASH AND CASH EQUIVALENTS, END OF YEAR		**$ 105,652**	**$ 1,407,804**

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Avanti Helium Corp. (formerly Avanti Energy Inc.) (the "Company" or "AVN") is a focused exploration and development company of helium resources across Western Canada and the United States.

The Company was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 7, 2011, and on August 17, 2022 changed its name from Avanti Energy Inc. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "AVN" and are listed for trading on the OTC, a U.S. based securities trading system, under the symbol "ARGYF".

The Company's office is located at 1810, 840 – 7th Avenue Street SW, Calgary, AB, T2P 3G2, with its registered office address is 704, 595 Howe Street, Vancouver, BC, T2P 2T5.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors on April 22, 2025.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars which is the presentation currency of the Company and its subsidiaries. The functional currency of the Company is Canadian dollars and the functional currency of its foreign subsidiary is US dollars.

Going concern

These Financial Statements were prepared on a going concern basis. The going concern basis of accounting assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitment in the normal course of business.

At December 31, 2024, the Company had yet to achieve profitable operations, had an accumulated deficit of $49,566,025 (December 31, 2023 - $45,096,255), and for the twelve months ended December 31, 2024 had a net loss of $4,469,770 (December 31, 2023 – $11,644,652) with cash used in operating activities of $3,327,633 (December 31, 2023 - $6,731,711). It is unclear whether and when the Company can obtain profitability and positive cash flows from operations. These events and conditions form a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

The Company currently has a working capital deficit of $2,095,540 (December 31, 2023 – working capital deficit of $844,823).

The Company is currently classified as a helium exploration company. Although the Company has entered into a helium processing plant agreement to produce for the eventual sale of the Company's helium, until production occurs its cash inflows are limited. As such, the Company’s ability to continue as a going concern is dependent on obtaining additional capital investment or financing(s). Note 14 provides a more detailed description of the liquidity risk.

These Financial Statements do not reflect the adjustments that might be necessary to the carrying amount of the reported assets, liabilities, expenses, and statement of financial position classifications used if the Company was unable to continue operation in accordance with this assumption. Such adjustments may be material.

3. MATERIAL ACCOUNTING POLICIES

These accounting policies have been applied consistently by the Company and the entity controlled by the Company.

Basis of measurement

The consolidated financial statements were prepared on a going concern basis, under the historical cost basis, unless otherwise stated in the significant accounting policies or changes in accounting policies.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company, its wholly owned subsidiary, Avanti Helium US, Inc. Control exists when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, substantive potential voting rights that currently are exercisable are considered together with the Company’s control over the key decision-making of the subsidiary entities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of the Company’s subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company’s subsidiary’s intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation

Translation of foreign entity

Assets and liabilities of the subsidiary are translated into Canadian dollars at the closing rate at the date of the consolidated statement of financial position. Revenues and expenses are translated at the average rate for the period. Gains or losses on translation of foreign operations are recognized in other comprehensive income (loss) as cumulative translation adjustments.

Translation of transactions and balances

Foreign currency transactions are translated into Canadian dollars by applying exchange rates in effect at the transaction date. At each reporting period end, assets and liabilities denominated in foreign currencies are converted to Canadian dollars at rates of exchange prevailing on that date. Gains and losses on exchange differences are recognized in the consolidated statement of net loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, short term deposits, and similar-type instruments with an original maturity if three months or less at the time of purchase.

Pre-exploration expenses

Pre-exploration expenditures incurred before the Company has obtained legal rights to explore an area are expensed, in the period in which they occur, as exploration expense.

Exploration and evaluation assets

Pre-license costs are recognized in the consolidated statement of loss as incurred.

Exploration and evaluation costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. The costs are accumulated in cost centres by well, field or exploration area, pending determination of technical feasibility and commercial viability.

The Company assesses the recoverability of exploration and evaluation assets, before and at the moment of reclassification, to property, plant and equipment. Exploration and evaluation assets are assessed for impairment if (a) sufficient data exists to determine technical feasibility and commercial viability, and (b) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The impairment of exploration and evaluation assets, and any eventual reversal thereof, is recognized in the consolidated statement of loss and comprehensive loss.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved or probable reserves have been discovered. Upon determination of proved or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment. The cost of undeveloped land that expires is recognized in profit or loss.

Development and Production Costs

Items of property, plant and equipment, which include helium resource development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing. The Company has grouped its development and production assets into the Southern Saskatchewan CGU and the Alberta CGU. When significant parts of an item of property, plant and equipment, including helium resource interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property, plant and equipment, including helium resource interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit or loss.

Subsequent Costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as property, plant and equipment only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized helium resource interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depletion and Depreciation

The net carrying value of development or production assets is depleted using the unit-of-production method by reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by Company reserves engineers at least quarterly.

Proved and probable reserves are estimated using independent reserves engineer reports and represent the estimated quantities of helium that geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and that are considered commercially producible.

For other assets, that are available for use, depreciation is recognized in profit or loss on a declining balance basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

For other assets, that are available for use, the estimated useful lives for the current and comparative years are as follows:

Computer equipment	three years straight line
Furniture and fixtures	five years straight line
Right-of-use assets, and leasehold improvements	over the term of the underlying lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment of property, plant and equipment

The Company assesses assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units or “CGU”s). Impairment losses are recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount and are recognized immediately in the consolidated statements of loss and comprehensive loss.

The recoverable amount is the greater of:

(i) an asset’s fair value less costs of disposal; and
(ii) its value in use.

Fair value is the price that would be expected to be received in a sale transaction less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Company evaluates impairment losses for potential reversals, when events or changes in circumstances warrant such consideration. Reversals of impairment losses are evaluated and if deemed necessary are recognized immediately in the consolidated statements of loss and comprehensive loss.

Decommissioning provisions

Decommissioning obligations are recognized for decommissioning and restoration obligations associated with the Company's exploration and evaluation assets and any property and equipment. The best estimate of the expenditure required to settle the present obligation at the reporting date is recorded on a discounted basis using a risk-free interest rate at each reporting date. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated asset and is depleted or amortized over the useful life of the asset. The provision is accreted over time through charges and is included with amortization, depreciation, and accretion expense in the statement of loss and comprehensive loss. Changes in the future cash flow estimates resulting from revisions to the estimated timing, amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning provision and related assets. Actual decommissioning expenditures, up to the recorded liability recorded at the time, are charged against the provision as the costs are incurred.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as cell phones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

At the lease commencement date, a lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments include fixed payments, variable payments that are based on an index or a rate, and other factors as prescribed under IFRS 16.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, or a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Company did not make any such adjustments during the periods presented.

The Company amortizes the right-of-use asset as operating expense on a straight-line basis over the deemed term of the lease unless another systematic basis is more representative of the pattern in which the economic benefits will be consumed.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost, less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The Company applies IAS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired.

When assessing the lease term, Management will consider all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, economic reasons, significance of leasehold improvements, termination and relocation costs, installation of specialized assets, residual value guarantees, and any sublease term(s).

Impairment

Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than exploration and evaluation assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGUs). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less cost to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

Fair value less cost to sell is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to sell helium resource assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate, which would be applied by such a market participant to arrive at a net present value of the CGU. Consideration is given to acquisition metrics of recent transactions completed on similar assets to those contained within the relevant CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses, for non-financial assets other than goodwill, recognized in prior years, are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

Share-based payments

The Company has an equity-settled share-based payment plan for certain employees and others providing similar services as described in Note 10 (d). The fair value of a stock option is calculated at the date of grant and each tranche is expensed using the graded vesting method over the period during which the options vest. The Company uses the Black-Scholes model to calculate the fair value of stock options issued, which requires certain assumptions be made at the time the stock options are awarded, including the expected life of the stock option, the expected number of granted stock options that will vest, and the expected future volatility of the stock. The fair value of stock options is only re-measured if there is a modification to the terms of the stock options, such as a change in exercise price or legal life.

Any consideration paid by stock option holders for the purchase of stock, together with any amount previously recognized in equity reserve are credited to share capital. If plan entitlements are repurchased from the holder, the consideration paid is charged to equity. The Company has no cash-settled instruments.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable.

Income taxes

The Company follows the liability method of accounting for income taxes.

Under this method, deferred tax is recognized on any temporary difference between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable earnings.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities. The effect of a change in the enacted or substantively enacted tax rates is recognized in the consolidated statement of loss or in equity, depending on the item to which the adjustment relates.

Deferred tax is recognized on temporary differences arising from investments in subsidiaries, except in the case where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or the initial recognition of other assets and liabilities in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting net earnings nor taxable earnings.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis or the tax assets and liabilities will be realized simultaneously.

The Company recognizes income tax benefits or liabilities related to uncertain tax positions to the extent they are more likely than not to be realized or settled.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company, in addition to the proportionate amount of equity reserves originally created at the issuance of the stock options or warrants. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants.

Income (loss) per share

The Company presents basic and diluted income (loss) per share ("EPS") for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to the common shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the Company's own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the common shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares, including share warrants and share options granted to employees and directors.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

Financial instruments

<u>Financial assets</u>

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. The Company has classified its cash and investments as FVTPL. The Company has classified its receivables and reclamation bonds as amortized cost.

<u>Impairment</u>

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL.

The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company has classified its accounts payable and accrued liabilities at amortized cost and carried on the statement of financial position at amortized cost.

As at December 31, 2024, the Company does not have any derivative financial liabilities.

Financial instruments measured at fair value are classified into one of three levels in a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues or incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance, and for which discrete financial information is available.

4. CHANGES IN ACCOUNTING POLICIES

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements and establishes a revised structure for the financial statements, required disclosures for certain management-defined performance measures and additional requirements for the grouping of information in the financial statements. IFRS 18 is effective for fiscal years beginning on or after January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on its consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. These amendments include clarifications of the dates of recognition and derecognition of some financial assets and liabilities and the classification of certain financial assets. In addition, there are new disclosure requirements related to equity instruments designated as fair value through other comprehensive income. These amendments are effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are as follows:

Exploration and evaluation assets (“E&E”)

The application of the Company's accounting policy for E&E requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found in assessing economic and technical feasibility.

Decommissioning liabilities

The Company is required to provide for decommissioning liabilities. The Company must estimate these costs in accordance with existing laws, contracts and other policies. The estimate of future costs involves a number of estimates relating to timing, type of costs and associated contract negotiations, and review of potential methods and technical advancements. Furthermore, due to uncertainties concerning environmental remediation, the ultimate cost of the Company's decommissioning liability could differ from amounts provided. The estimate of the Company's obligation is subject to change due to amendments to applicable laws and regulations and as new information concerning the Company's operations become available.

Impairment of non-financial assets

The Company's fair value measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual fair values. The fair values are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated fair values of non-financial assets to their carrying values. The Company's fair value estimates are based on numerous assumptions. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each reporting date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration and evaluation activities and a significant drop in helium prices.

The Company follows IAS 36 to determine if there are impairment indicators. This determination requires significant judgement.

The Company assessed impairment indicators as at December 31, 2024, and other than specific exploration and evaluation asset impairments, no impairment indicators were identified. As a result of this assessment, impairment tests were not performed.

Valuation of equity compensation benefits

Management classifies its share-based payment scheme as an equity-settled scheme based on the assessment of its role and that of the employees and brokerage firm in the transaction. The critical assumptions used in the valuation model are detailed in Note 10 (d).

Leases

The Company accounts for leases in accordance with IFRS 16 Leases, which requires judgments to be made in determining the incremental borrowing rate ("IBR"). The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the lease asset in a similar economic environment. The Company estimates the incremental borrowing rate based on the lease term, and the economic environment in which the lease is denominated.

(Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

		Canadian Projects		United States Projects		Total
Year ended December 31, 2023						
Balance December 31, 2022	$	525,642	$	25,438,892	$	25,964,534
Additions		20,732		1,810,685		1,831,417
Changes in decommissioning obligation		-		56,584		56,584
Exploration and evaluation impairment		-		(5,669,731)		(5,669,731)
Transfers to property, plant and equipment		(4,946)		-		(4,946)
Foreign exchange impacts		-		(338,470)		(338,470)
Balance, December 31, 2023	**$**	**541,428**	**$**	**21,297,960**	**$**	**21,839,388**
Year ended December 31, 2024						
Balance December 31, 2023	$	541,428	$	21,297,960	$	21,839,388
Additions		21,096		45,973		67,069
Exploration and evaluation impairment		(12,075)		(230,127)		(242,202)
Foreign exchange impacts		-		514,369		514,369
Balance, December 31, 2024	**$**	**550,449**	**$**	**21,628,175**	**$**	**22,178,624**

During fiscal 2024, the Company elected to allow certain leases in both the Canadian and United Sates asset segments expire. The recoverable amount of the assets was determined to be $nil, and an impairment charge of $242,202 was recognized in the statement of loss and comprehensive loss. During fiscal 2023, the Company elected to allow certain leases in the United States segment expire. The recoverable amount of the assets was determined to be $nil, and recognized an impairment charge of $5,669,731 was recognized in the statement of loss and comprehensive loss.

In addition to the noted exploration and evaluation assets, the Company had long-lead drilling and completion materials that have not been allocated to an asset segment. The recorded balance of long-lead materials for fiscal 2024 was $nil (2023 - $578,721).

During fiscal 2024, the Company disposed of previously impaired long-lead drilling and completions materials for net proceeds of $99,874. During fiscal 2024, the Company determined the net realizable value of the long-lead drilling and completion materials to be $nil and recorded an impairment expense of $514,357. During fiscal 2023, the Company sold certain long-lead drilling and completion materials for net proceeds of $275,087 and recognized a corresponding net loss upon disposal of $208,778.

(Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Year ended December 31, 2023	Helium recovery facilities and equipment	Vehicles and trailer	Right-of-use asset	Leasehold improvements	Office equipment and fixtures	Total
Cost						
Balance at December 31, 2022	$ -	$ -	$ 7,298	$ -	$ 19,859	$ 27,157
Additions	3,688,735	440,887	324,556	123,662	50,560	4,628,400
Balance at December 31, 2023	3,688,735	440,887	331,854	123,662	70,419	4,655,557
Accumulated depreciation						
Balance at December 31, 2022	-	-	4,963	-	7,574	12,537
Additions	-	-	10,658	105	9,309	20,072
Foreign exchange impact	-	-	(139)	-	-	(139)
Balance at December 31, 2023	-	-	15,482	105	16,883	32,470
Net book value						
Balance at December 31, 2023	**$ 3,688,735**	**$ 440,887**	**$ 316,372**	**$ 123,557**	**$ 53,536**	**$ 4,623,087**

Year ended December 31, 2024	Helium recovery facilities and equipment	Vehicles and trailer	Right-of-use asset	Leasehold improvements	Office equipment and fixtures	Total
Cost						
Balance at December 31, 2023	$ 3,688,735	$ 440,887	$ 331,854	$ 123,662	$ 70,419	$ 4,655,557
Additions	727,920	-	-	5,948	3,548	737,416
Impairment	(296,584)	-	-	-	-	(296,584)
Disposals	(472,570)	-	-	-	-	(472,570)
Foreign exchange impact	276,010	38,800	19,990	-	-	334,800
Balance at December 31, 2024	3,923,511	479,687	351,844	129,610	73,967	4,958,619
Accumulated depreciation						
Balance at December 31, 2023	-	-	15,482	105	16,883	32,470
Additions	-	-	26,079	22,168	18,795	67,042
Foreign exchange impact	-	-	960	-	-	960
Balance at December 31, 2024	-	-	42,521	22,273	35,678	100,472
Net book value						
Balance at December 31, 2024	**$ 3,923,511**	**$ 479,687**	**$ 309,323**	**$ 107,337**	**$ 38,289**	**$ 4,858,147**

The Company recorded an amortization expense of $67,042 for the year ended December 31, 2024 (December 31, 2023 - $20,072).

During fiscal 2024, the Company determined the net recoverable amount and sold certain electrical equipment related to the helium recovery facilities and equipment for net proceeds of $472,570 and recognized a corresponding net loss upon disposal of $296,584. The balance of $3,923,511 related to the helium recovery facilities and equipment (or multi-well processing plant) and $479,687 related to vehicles and trailers are currently not being depreciated as they are classified as not available for use.

(Canadian dollars)

The Company is contractually committed to $5,246,683 (US $3,883,333) to complete the acquisition of gaseous helium trailers in the vehicles and trailers segment. Computer equipment for property, plant and equipment continuity disclosure purposes is now being grouped with office equipment and fixtures.

8. DECOMMISSIONING LIABILITY

The decommissioning liability results from the Company's ownership in helium assets, including well sites and gathering systems. The total decommissioning liability is estimated based on the Company's net ownership interest, estimated costs to reclaim and abandon the wells and the estimated timing of the costs to be incurred in future years. The total undiscounted cash flows required to settle the obligations will be $551,667 (December 31, 2023 - $507,043). The obligations have been discounted using an average credit-adjusted risk-free rate of 9.86% (December 31, 2023 - 9.86%) and an average inflation rate of 2.20% (December 31, 2023 - 2.20%) per year. The majority of these obligations are not expected to be paid for approximately 12 years in the future and will be funded from general Company resources at that time.

Year ended December 31, 2023	Canadian Projects	United States Projects	Total
Balance, December 31, 2022	$ -	$ 171,205	$ 171,205
Decommissioning obligation change in estimate	-	42,796	42,796
Decommissioning obligation additions	-	13,788	13,788
Decommissioning obligation settlement	-	(30,268)	(30,268)
Accretion expense	-	6,764	6,764
Foreign exchange impact	-	(3,621)	(3,621)
Balance, December 31, 2023	**$ -**	**$ 200,664**	**$ 200,664**

Year ended December 31, 2024	Canadian Projects	United States Projects	Total
Balance, December 31, 2023	$ -	$ 200,664	$ 200,664
Accretion expense	-	20,911	20,911
Decommissioning obligation settlement	-	(236)	(236)
Foreign exchange impact	-	18,613	18,613
Balance, December 31, 2024	**$ -**	**$ 239,952**	**$ 239,952**

The Company recorded accretion expense of $20,911 for the year ended December 31, 2024 (December 31, 2023 - $6,764).

(Canadian dollars)

9. LEASE LIABILITIES

The Company's leases consist of a lease for its Calgary office and a surface land lease for its multi-well processing plant in Montana. The Calgary office lease has an effective term of 70 months expiring in September 2029. The surface land lease is for a term of 25 years expiring in March 2048. The leases were valued using an incremental borrowing rate of 10%.

The Company reassess all leases when a significant event or a significant change in circumstances within the Company's control has occurred.

	December 31, 2024	December 31, 2023
Balance, beginning of year	$ 251,038	$ 2,199
Additions	-	324,556
Interest expense	25,743	14,499
Payments	(16,743)	(89,079)
Foreign exchange impacts	14,376	(1,137)
Balance, end of year	$ 274,414	$ 251,038

Amounts recognized in the consolidated statement of loss and comprehensive loss	December 31, 2024	December 31, 2023
Depreciation expense on right-of-use asset	$ 26,079	$ 10,658
Interest expense on lease liabilities	25,743	14,499
Foreign exchange impacts	14,376	(1,137)
Expense related to leases of low value assets	-	-
Expense related to leases of short-term leases	67,427	149,595
Total	$ 133,625	$ 173,615

During the year ended December 31, 2024, the company expensed $67,427 (December 31, 2023 - $149,595) to administrative expenses with respect to month-to-month leases for office space in Calgary, Alberta; Vancouver, British Columbia; and in Shelby, Montana. These leases are short-term, and the Company has elected not to recognize the right-of-use assets and lease liabilities for these leases.

Amounts recognized in the consolidated statement of cash flows	December 31, 2024	December 31, 2023
Cash payments for interest portion of lease liabilities	$ 25,743	$ 14,499
Cash payments for leases not included in measurement of lease liability	(16,743)	(89,079)
Cash outflows in operating activities	9,000	(74,580)
Cash payments for the principal portion of lease liability	(16,743)	(89,079)
Cash outflows in financing activities	(16,743)	(89,079)
Total cash outflows for leases	$ (7,743)	$ (163,659)

The Company's future minimum lease payments total $612,798 with imputed interest to be $347,113.

(Canadian dollars)

10. SHARE CAPITAL

The Company's authorized and issued share capital is as follows:

a) Authorized share capital

Unlimited common shares without par value.

b) Issued common shares

The Company's issued share capital is as follows:

The changes in the Company's outstanding common shares were as follows:

	December 31, 2024		December 31, 2023	
	Number	Stated capital	Number	Stated capital
Balance, beginning of year	90,522,155	$ 58,326,062	68,050,957	$ 48,072,148
Private placements	4,892,269	1,540,621	22,056,198	10,121,180
Share-for-debt	1,397,683	403,975	-	-
Exercise of warrants	-	-	415,000	376,309
Reclassification of issuance costs	-	-	-	(243,575)
Balance, end of year	**96,812,107**	**$ 60,270,658**	**90,522,155**	**$ 58,326,062**

During fiscal 2024, the Company had the following share capital transactions:

i) The Company closed a public offering of 2,692,269 units of the Company ("Offering Unit") in two tranches at a price of $0.40 for aggregate gross proceeds of $1,076,908. Each Offering Unit consisted of one share purchase warrant ("Unit Warrant"). The first tranche of 1,692,269 Offering Units for gross proceeds of $676,908 closed on April 10, 2024, and the second tranche of 1,000,000 Offering Units for gross proceeds of $400,000 closed on April 16, 2024. Each Unit Warrant entitles the holder to purchase one common share, at a price of $0.60. Of the Unit Warrants, 1,692,269 Unit Warrants expire April 10, 2025, and 1,000,000 Unit Warrants expire April 16, 2025. The Company allocated $1,057,459 to share capital and $15,000 to Unit Warrants. The Company incurred share issuance costs of $59,061, of which $57,995 was allocated to common shares and $1,067 to warrants. A director and officer of the Company subscribed for a total of 750,000 Offering Units for aggregate gross proceeds of $300,000.

In connection with the Offering, the Company issued an aggregate of 93,450 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.60. Of the Broker Warrants, 78,450 Broker Warrants expire April 10, 2025, and 15,000 Broker Warrants expire April 16, 2025. The weighted average fair value of the Broker Warrants was determined to be $0.048 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 4.28%, expected life of one year and expected volatility of 60.99%.

ii) The Company issued 1,397,683 common shares of the Company ("Common Shares") at a deemed price of $0.295 per Common Share to certain of its creditors (the "Creditors") to settle total outstanding indebtedness (the "Indebtedness") of $412,316 (the "Debt Settlement"). The initial Indebtedness was recorded as trade payables owed by the Company to the Creditors in the Statement of Financial Position.

The Company allocated the full amount of the Indebtedness of $412,316 to share capital with an offsetting reduction in trades payable. The Company incurred share issuance costs of $8,341 with the shares for debt settlement.

iii) The Company closed a non-brokered offering of 2,200,000 units of the Company ("Offering Units") in two tranches at a price of $0.25 for aggregate gross proceeds of $550,000. Each Offering Unit consisted of one share purchase warrant ("Unit Warrant"). The first tranche of 1,200,000 Offering Units closing September 3, 2024, with the second tranche of 1,000,000 Offering Units closing on September 4, 2024. Of the Unit Warrants 1,200,000 expire on September 3, 2025, and 1,000,000 expire on September 4, 2025. Each Unit Warrant entitles the holder to purchase one common share, at a price of $0.30.

The Company allocated the full gross proceeds of $550,000 to share capital as the offering was at a premium to the market price on announcement and closing. The Company incurred share issuance costs of $8,547. The Chief Executive Officer, who is also a director of the Company, was the sole subscriber of the first tranche closing of the Offering for gross proceeds of $300,000.

iv) Prior to the end of December 31, 2024, the Chief Executive Officer, who is also a director of the Company, and an investor forwarded the Company $300,120 as an advance on share subscriptions to a non-brokered private placement that closed on January 20, 2025. This was recorded as a share subscription received in equity at December 31, 2024.

v) Effective January 20, 2025, the Company closed a public offering of 17,029,998 units of the Company ("Offering Unit") at a price of $0.09 for aggregate gross proceeds of $1,532,700. Each Offering Unit consisted of one share purchase warrant ("Unit Warrant"). Each whole Unit Warrant entitles the holder to purchase one common share, at a price of $0.15 per share until January 20, 2028. The Chief Executive Officer and Director of the Company subscribed for a total of 2,944,444 Offering Units of the public offering for aggregate gross proceeds of $265,000.

In connection with the Offering, the Company paid an aggregate of $31,152 and issued 198,000 Shares and an aggregate of 742,133 Broker Warrants. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.15 until January 20, 2028.

All securities issued under or in connection with this public offering, including securities issued upon the exercise thereof, are subject to a hold period expiring on May 21, 2025.

During the fiscal year ended December 31, 2023, the Company had the following share transactions:

i) Effective February 6, 2023, the Company closed a prospectus offering of 9,035,665 units of the Company ("Offering Unit") at a price of $0.70 for aggregate gross proceeds of $6,324,966. Each Unit consisted of one common share and one half of one transferable share purchase warrant ("Unit Warrants"). Each whole Unit Warrant entitles the holder to purchase one common share, at a price of $1.00 until February 6, 2025. The Company allocated $5,705,738 to share capital and $451,783 to warrants. The Company incurred share issuance costs of $563,530, of which $507,637 was allocated to common shares and $55,893 to warrants. Directors and officers of the Company subscribed for a total of 734,000 Offering Units of the public offering for aggregate gross proceeds of $513,800.

   In connection with the Offering, the Company issued to the agents 516,079 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.70 until February 6, 2025. The fair value of the Broker Warrants was determined to be $167,444 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 3.81%, expected life of 2 years and expected volatility of 82.9%.

ii) The Company closed a non-brokered Short Form Prospectus offering of 1,667,033 units of the Company ("Offering Unit") in two tranches at a price of $0.60 for aggregate gross proceeds of $1,00,220. Each Offering Unit consisted of one common share and one transferable share purchase warrant ("Unit Warrant"). The first tranche of 1,517,033 Offering Units closed on August 31, 2023, and the second tranche of 150,000 Offering Units closed on September 11, 2023. Each Unit Warrant entitles the holder to purchase one common share, at a price of $0.70. Of the Unit Warrants, 1,517,033 Unit Warrants expire August 31, 2024, and 150,000 Unit Warrants expire September 11, 2024. The Company allocated $931,422 to share capital and $57,511 to warrants. The Company incurred share issuance costs of $64,933, of which $60,467 was allocated to common shares and $4,466 to warrants. A Director and officer of the Company subscribed for a total of 417,000 Offering Units of the public offering for aggregate gross proceeds of $250,200.

   In connection with the Offering, the Company issued 87,501 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.70. Of the Broker Warrants, 72,501 Broker Warrants expire August 31, 2024, and 15,000 Broker Warrants expire September 11, 2024. The weighted fair value of the Broker Warrants was determined to be $11,286 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 4.60%, expected life of 1 years and expected volatility of 74.13%.

iii) Effective November 10, 2023, the Company closed a prospectus offering of 6,667,000 units of the Company ("Offering Unit") at a price of $0.45 for aggregate gross proceeds of $3,000,150. Each Unit consisted of one common share and one half of one transferable share purchase warrant ("Unit Warrants"). Each whole Unit Warrant entitles the holder to purchase one common share, at a price of $0.60 until November 10, 2025. The Company allocated

$2,792,181 to share capital and $166,675 to warrants. The Company incurred share issuance costs of $402,429, of which $374,533 was allocated to common shares and $27,896 to warrants. Directors and officers of the Company subscribed for a total of 1,577,800 Offering Units of the public offering for aggregate gross proceeds of $710,010.

In connection with the Offering, the Company issued to the agents 325,756 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.60 until November 10, 2025. The fair value of the Broker Warrants was determined to be $167,444 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 4.51%, expected life of 2 years and expected volatility of 70.56%.

iv) Effective November 30, 2023, the Company closed a public offering of 4,686,500 units of the Company ("Offering Unit") at a price of $0.40 for aggregate gross proceeds of $1,874,600. Each Unit consisted of one common share and one transferable share purchase warrant ("Unit Warrants"). Each whole Unit Warrant entitles the holder to purchase one common share, at a price of $0.60 until November 30, 2025. The Company allocated $1,777,183 to share capital and $46,865 to warrants. The Company incurred share issuance costs of $150,456, of which $142,709 was allocated to common shares and $7,837 to warrants. Directors and officers of the Company subscribed for a total of 20,000 Offering Units of the public offering for aggregate gross proceeds of $50,000.

In connection with the Offering, the Company issued to the agents 324,555 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.40 until November 30, 2025. The fair value of the Broker Warrants was determined to be $50,552 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 4.16%, expected life of 2 years and expected volatility of 70.47%.

v) During the reporting period ended December 31, 2023, 415,000 share purchase warrants were exercised at $0.80 per warrant for gross proceeds of $332,000. As a result, a value of $44,309 was transferred from equity reserve to share capital. Of the share purchase warrants that were exercised, 378,000 were exercised by a director and officer of the Company for aggregate gross proceeds of $302,400.

vi) Subsequent to the reporting period ended December 31, 2023, the Company closed a public offering of 2,692,269 units of the Company ("Offering Unit") in two tranches at a price of $0.40 for aggregate gross proceeds of $1,076,908. Each Offering Unit consisted of one share purchase warrant ("Unit Warrant"). The first tranche of 1,692,269 Offering Units for gross proceeds of $676,908 closed on April 9, 2024, and the second tranche of 1,000,000 Offering Units for gross proceeds of $400,000 closed on April 16, 2024. Each Unit Warrant entitles the holder to purchase one common share, at a price of $0.60. Of the Unit Warrants, 2,692,269 Unit Warrants expire April 9, 2025, and 1,000,000 Unit Warrants expire April 16, 2025. A director and officer of the Company subscribed for a total of 750,000 Offering Units of the public offering for aggregate gross proceeds of $300,000.

(Canadian dollars)

In connection with the Offering, the Company issued an aggregate of 93,450 Broker Warrants options. Each Broker Warrant entitles the holder to purchase one common share at a price of $0.60. Of the Broker Warrants, 78,450 Broker Warrants expire April 9, 2025, and 15,000 Broker Warrants expire April 16, 2025.

c) Share purchase warrants

	December 31, 2024			December 31, 2023		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Balance, beginning of year	30,280,654	$	0.88	15,236,898	$	1.04
Issuances - Private Placement	4,892,269		0.47	14,204,865		0.74
Issuance - Broker Warrants	93,450		0.60	1,253,891		0.60
Exercises	-		-	(415,000)		(0.80)
Expiry	(16,576,432)		(1.00)	-		-
Balance, end of year	**18,689,941**	**$**	**0.66**	**30,280,654**	**$**	**0.88**

As at December 31, 2024, the following warrants were issued and outstanding:

Warrants Outstanding	Exercise Price		Remaining Life (years)	Expiry Date
4,517,832	$	1.00	0.10	February 6, 2025
516,079	$	0.70	0.10	February 6, 2025
1,770,719	$	0.60	0.28	April 9, 2025
1,015,000	$	0.60	0.29	April 16, 2025
1,200,000	$	0.60	0.68	September 3, 2025
1,000,000	$	0.60	0.68	September 4, 2025
3,659,256	$	0.60	0.86	November 10, 2025
4,686,500	$	0.60	0.92	November 30, 2025
324,555	$	0.40	0.92	November 30, 2025
18,689,941				

Subsequent to the fiscal year ended December 31, 2024, the Company issued 17,772,131 warrants with an exercise price of $0.15 expiring on January 20, 2028.

In addition, and subsequent to the fiscal year ended December 31, 2024, 4,517,832 warrants with an exercise price of $1.00; 516,079 warrants with an exercise price of $0.70; and 2,785,719 warrants with an exercise price of $0.60, all expired un-exercised.

(Canadian dollars)

d) Stock-based compensation plan

The Company maintains a Stock Option Plan under which the Company is authorized to grant executive officers and directors, employees and consultants incentive stock options for up to 10% of the issued and outstanding common stock of the Company. Under the Stock Option Plan, the exercise price of each option may equal the market price of the Company's common stock, less than the "Discounted Market Price" (as defined in the policies of the TSX Venture Exchange) at the date of grant, provided that the exercise price shall not be less than $0.05 per share. All stock options awarded are exercisable for a period of up to five (5) years, with vesting at the discretion of the Board of Directors.

Movements in stock options during the period

A summary of the status of the Company's Stock Option Plan is presented below:

	December 31, 2024		December 31, 2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	7,740,000	$ 1.17	5,365,000	$ 1.34
Issued	300,000	0.30	2,375,000	0.80
Forfeited	(1,307,000)	(1.16)	-	-
Outstanding, end of year	**6,733,000**	**$ 1.13**	**7,740,000**	**$ 1.17**

i) The 300,000 stock option issued during fiscal 2024, with an exercise price of $0.30, were issued to two Directors of the Company.

ii) Of the 1,307,000 stock options that were forfeited, 1,007,000, with exercise prices between $0.20 and $2.45, were held by two former Directors of the Company.

iii) Of the 2,300,000 stock options issued on March 1, 2023, with an exercise price of $0.80, 1,010,000 stock options were issued to five Directors and Officers of the Company.

iv) 75,000 stock options issued on September 27, 2023, with an exercise price of $0.70, were to a consultant of the Company.

(Canadian dollars)

As at December 31, 2024, the following options were outstanding:

Number of Options	Number of Options Exercisable		Exercise Price	Remaining Life (years)	Expiry Date
1,000,000	1,000,000	$	0.30	0.92	November 30, 2025
150,000	18,750	$	0.30	4.53	July 9, 2029
150,000	18,750	$	0.30	4.64	August 20, 2029
75,000	18,750	$	0.70	3.74	September 27, 2028
2,070,000	1,725,000	$	0.80	3.17	March 1, 2028
300,000	300,000	$	1.30	1.42	May 31, 2026 (i)
803,000	885,000	$	1.36	2.25	March 29, 2027
950,000	950,000	$	1.45	1.20	March 11, 2026
210,000	210,000	$	1.53	2.00	December 29, 2026
950,000	950,000	$	1.64	1.65	August 23, 2026
75,000	75,000	$	1.64	1.85	November 5, 2026
6,733,000	**6,151,250**				

(i) During a prior fiscal year, the exercise price of these options was modified from $2.70 to $1.30.

Fair value of stock options granted during the period

The fair value for the compensation costs of stock options issued to both employees and non-employees were calculated using the Black-Scholes option pricing model resulting in an additional charge to general stock-based compensation expense with a corresponding increase in equity reserve.

During the year ended December 31, 2024, the Company incurred $64,175 (December 31, 2023 - $894,851) in compensation expense relating to options granted, vested and modified.

The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions during the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Risk-free	3.63 & 3.06%	3.87 & 4.40%
Expected volatility	74.49% & 74.96%	80.17% & 78.1%
Dividend rate	Nil	Nil
Forfieture rate	18.48% & 18.42%	19.98% & 19.18%
Expected life	3.63 & 3.69 Years	3.49 & 4.4 Years
Weighted average value of options granted during period	$ 0.18	$ 0.37 & $ 0.30

(Canadian dollars)

e) Equity Reserve

	December 31, 2024	December 31, 2023
Balance, beginning of year	$ 12,260,866	$ 10,269,431
Reclassification of issuance costs	-	243,575
Share-based payment	64,175	894,851
Warrant issuance	18,382	897,318
Warrant exercise	-	(44,309)
Balance, end of year	**$ 12,343,423**	**$ 12,260,866**

11. LOSS PER SHARE

The weighted average number of common shares outstanding for basic and diluted loss per share is 93,777,556 (December 31, 2023 – 78,291,877).

In determining diluted loss per share, the weighted average number of shares outstanding for the year ended December 31, 2024 excluded nil (December 31, 2023 – 958,656) for stock options and warrants eligible for exercise where the average market price of the common shares for the year exceeds the exercise price because the result was anti-dilutive in both periods.

12. INCOME TAXES

The Company's substantially enacted Canadian statutory tax rate is approximately 27.0% (December 31, 2023 – 28.0%). A reconciliation of the reported taxes is as follows:

	2024	2023
Loss before income tax	$ (4,469,770)	$ (11,644,652)
Expected income tax recovery at statutory income tax rate	(1,207,000)	(3,144,000)
Adjusted for the following:		
Change in statutory, foreign tax, foreign exchange rates and other	(1,850,000)	(477,000)
Permanent differences	18,000	244,000
Share issue cost	(20,000)	(293,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(4,957,000)	(4,957,000)
Expiry of non-capital losses	-	-
Change in unrecognized deductible temporary differences	8,016,000	8,627,000
Total income tax expense (recovery)	**$ -**	**$ -**
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

(Canadian dollars)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2024	2023
Temporary Differences		
Exploration and evaluation assets	$ 369,000	$ 1,242,000
Property and equipment	969,000	911,000
Share issue costs	590,000	569,000
Allowable capital losses	1,330,000	1,330,000
Non-capital losses available for future period	6,721,000	6,538,000
	9,979,000	10,590,000
Unrecognized deferred tax assets	(9,979,000)	(10,590,000)
Net deferred tax assets	**$ -**	**$ -**

The deferred income tax liability relating to the exploration and evaluation assets arose as a result of the Company renounced certain deductions for Canadian exploration expenditures incurred on the Company's exploration and evaluation assets.

Deferred income tax assets are recognized to the extent that it is probable that taxable net income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The Company has available approximately $22,545,000 of recognized Canadian non-capital losses and US $3,021,000 of recognized United States non-capital losses, which, if unutilized, will expire between 2026 and 2045.

13. CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To maintain flexibility in order to preserve the Company's ability to meet financial obligations with a long-term view of maximizing shareholder value; and,
- To maintain sufficient cash and cash equivalents and short-term investments to fund its business plan.

The Company's primary uses of capital are to finance exploration and commercialization of helium resources, the establishment of a multi-well processing plant and related facilities, the continued acquisition of land assets, market development, working capital, and capital and operating expenditures.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. In order to maintain or adjust capital requirements, the Company may consider adjusting the number of shares issued, the issuance of new shares, the entering into joint venture arrangements or farm-out agreements, engage in debt financings when available, enter into mergers or acquisitions, or the disposition of assets.

The Company believes it has sufficient capital to fund operations or will adjust its operations to maintain solvency.

Since inception, the Company has financed its liquidity needs through public offerings and private placements of common shares and interest income.

In order to maximize funds available for investment, the Company does not pay dividends.

The Company is currently not subject to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The Company has classified its financial instruments as follows:

	December 31, 2024	December 31, 2023
Financial assets		
Cash and cash equivalents	$ 105,652	$ 1,407,804
Receivables	331,761	57,949
Deposits	18,977	18,977
Reclamation bonds	62,547	62,547
Financial liabilities		
Accounts payable and accrued liabilities	$ 2,591,910	$ 2,354,211

b) Financial risk management

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, foreign currency risk, and liquidity risk. An analysis of these risks as at December 31, 2024, is provided below.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company conducts a significant portion of its business activities in the United States, in U.S. dollars. Cash and cash equivalents, trade and other receivables, trade accounts payables and accrued liabilities that are denominated in foreign currencies will be affected by the changes in the exchange rates between the Canadian dollar and U.S. dollar. The Company currently does not enter into any derivative financial instruments to reduce its exposure to foreign currency risk.

The tables that follow provide an indication of the Company's exposure to changes in the value of the U.S. dollar relative to the Canadian dollar as at and for the years ended December 31, 2024 and 2023. The analysis is based on financial assets and liabilities denominated in U.S. dollars at the statement of financial position date ("statement of financial position exposure"), and U.S. dollar denominated operating expenses during the year ("operating exposure").

	December 31, 2024	December 31, 2023
Cash and cash equivalents	$ 962	$ 116,779
Prepaid expenses	63	12,258
Receivables	-	-
Accounts payables and accrued liabilities	(922,993)	(444,890)
Lease liabilities	(126,143)	(126,228)
Net statement of financial position exposure	**$ (1,048,111)**	**$ (442,081)**

Based on the Company's foreign currency exposure, as noted above, with other variables unchanged, a 10% change in the Canadian dollar against the US dollar as at December 31, 2024 would have impacted on comprehensive net loss by $150,813 (December 31, 2023 - $58,470).

ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities as they become due. The Company's financial liabilities compromise accounts payable and accrued liabilities, which are normally due within 30 days.

The Company mitigates liquidity risk by planning its expenditures in advance of the underlying significant commitments. The Company anticipates that it will continue to have adequate liquidity to fund its financial liabilities through its future cash flows, inclusive of its financings.

The Company incurred a net loss of $4,469,770 during the year ended December 31, 2024 (December 31, 2023 – $11,644,652). As at December 31, 2024, the Company had a working capital deficit of $2,095,540 (December 31, 2023 – working capital deficit of $844,823). Management has determined that the Company has adequate resources to continue as a going concern for the foreseeable future, which management has defined as being at least the next 12 months. In arriving at this judgment, management has considered cash flow projections through the next 12 months from the date of these consolidated financial statements. Future operations of the Company will be dependent on its ability to raise additional equity or debt financing, enter into joint venture arrangements or farm-out agreements, the disposition of assets and the establishment of production and attainment of profitable operations.

The Company manages liquidity risk through cash management and by monitoring forecast cash flows.

(Canadian dollars)

Other than the contractual commitments noted in Note 7, the following table details the Company's remaining contractual maturity for its non-discounted financial liabilities as at December 31, 2024. The table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Year 1	Year 2	Years 3 to 5	After 5 years
Contractual commitments	$ 243,671	$ 33,669	$ 1,600	$ -
Accounts payable and accrued liabilities	2,591,908	-	-	-
Lease liabilities	17,123	17,123	113,880	387,653
	$ 2,852,702	**$ 50,792**	**$ 115,480**	**$ 387,653**

Lease commitment are further disclosed in Note 15.

c) Contingent liabilities

In a prior year, the Company's subsidiary and a vendor had a payment obligation dispute. As at December 31, 2024, the Company recorded a loss of $201,903 (US $150,890) (2023 - $nil). The loss is reported as an impairment expense for purposes or presentation in the consolidated statement of loss and comprehensive loss.

d) Fair values

The carrying amounts in the consolidated statement of financial position for cash and cash equivalents, trade and other receivables and trade accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity of these instruments.

The Company has no financial assets recorded at fair value at December 31, 2024 or 2023.

15. COMMITMENTS AND GUARANTEES

Operating leases

Amounts outstanding under non-cancellable operating lease agreements payable within the next year and thereafter:

	Property	Other	Total
Next year	$ 17,123	$ -	$ 17,123
Within two to five years	131,003	-	131,003
Thereafter	387,653	-	387,653
	$ 535,779	**$ -**	**$ 535,779**

(Canadian dollars)

Guarantees

In the normal course of operations, the Company may provide indemnification to counterparties that would require the Company to compensate them for costs incurred as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnification agreements will vary based upon the contract. Management does not expect the potential amount of these counterparty payments to have a material effect on the Company's financial position or operating results.

16. SEGMENTED INFORMATION

The Company operates in the acquisition, exploration and evaluation of helium properties.

The Company considers the basis on which it is organized, including the economic characteristics and geographic areas, in identifying its reportable segment. The operating segment(s) of the Company is defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker of the Company is the Chief Executive Officer. The Company operates with one reportable segment that covers all aspects of the Company's business.

Geographic information

The Company's non-current assets other than financial instruments are allocated to geographical segments as at December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Non-current assets		
Canada	$ 775,483	$ 814,547
United States	26,323,835	26,289,196
	$ 27,099,318	**$ 27,103,743**

17. RELATED PARTY DISCLOSURE

The Company has identified the following related parties.

Related Party	Nature of Transaction
EMP Metals Corp. ("EMP")	Rob Gamley, the former President, Director and Audit Committee Chair of the Company is also a director and officer of EMP. During fiscal 2023 and 2022, EMP cost shared certain software with the Company. Effective June 15, 2024 Mr. Gamley resigned from the Company, and thus, EMP ceased to be a related party.

(Canadian dollars)

Hatchette Holdings Ltd. ("Hatchette")	Consulting fees for the services of Rob Gamley, the President, Director and Audit Committee Chair of the Company. The initial agreement was effective September 1, 2019, and amended effective April 1, 2021, for a five-year term. The contracted amounts were $15,000 per month. Effective June 15, 2024 Mr. Gamley resigned from the Company and ceased to be a related party.
Lesha Services Ltd. ("Lesha")	Consulting fees for the services of Genga Nadaraju, Director and Vice President Subsurface of the Company. The initial agreement was effective December 7, 2020, and amended effective March 31, 2021, for a five-year term. The contracted amounts are on an hourly basis at $200 per hour.

Related party transactions

During the years ended December 31, 2024 and 2023, the Company had the following related party expense transactions:

Related Party	December 31, 2024	December 31, 2023
Hatchette Holdings Ltd.	$ 75,000	$ 180,000
Lesha Services Ltd.	84,000	150,000
	$ 159,000	**$ 330,000**

During the year ended December 31, 2024, EMP paid the Company $23,400 (December 31, 2023 - $15,420) for cost sharing of certain software.

During the year ended December 31, 2023, Hatchette provided a short-term note to the Company in the amount of $50,000. The note was repaid during the year together with interest of $482.

Compensation of key management personnel of the Company

The Company has identified the President, Chief Executive Officer, Chief Financial Officer, Vice President Operations, Vice President Subsurface, and the Company's directors as its key management personnel during all or part of the periods presented below. The following outlines their fully built-up compensation and benefits:

	December 31 2024	December 31 2023
Salaries and short-term benefits	$ 693,198	$ 898,256
Share-based payments	15,505	402,671
	$ 708,703	**$ 1,300,927**

Share-based payments are the fair value of stock options granted to key personnel as disclosed in Note 10 (d).