

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Royal Helium Corporation ("**Royal Helium**")
Suite 602- 224 4th Avenue S
Saskatoon, Saskatchewan
S7K 5M5

Item 2 Date of Material Change

December 22, 2020

Item 3 News Release

A news release was issued on November 30, 2020, which was supplemented by a subsequent release on December 9, 2020, and a further release on December 22, 2020, each of which was distributed through Newswire.

Item 4 Summary of Material Change

Royal Helium has closed its brokered private placement of Units announced on November 30, 2020, and expanded on December 9, 2020. Royal Helium raised gross proceeds of \$6,150,000 through the issuance of 27,954,545 Units at a price of \$0.22 per Unit.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Royal Helium closed a brokered private placement financing (the "**Private Placement**") by issuing 27,954,545 units (each a "**Unit**") at a price of \$0.22 per Unit for gross aggregate proceeds of \$6,150,000.00. Each Unit consists of one Class A common share (a "**Common Share**") of Royal Helium and one half of a Common Share purchase warrant (each whole warrant a "**Warrant**") exercisable into one Common Share at a price of \$0.35 per Warrant for a period of 24 months from the closing date.

In connection with the Private Placement, Royal Helium has paid to the agents a cash commission of 7% of the gross proceeds, reduced to 5.25% for any subscribers on the presidents list. In addition, Royal Helium issued to the agents 1,837,500 non-transferable compensation warrants (including in respect of the full exercise of the agent's option). Each compensation warrant entitles the holder thereof to purchase one Unit at an exercise price per compensation option unit equal to 22 cents for a period of 24 months following the closing. The Units issuable to the agents are identical to the Units under the Private Placement.

All securities issued under the Private Placement, including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the date of issuance.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"):

a) a description of the transaction and its material terms:

On November 30, 2020 Royal Helium announced a brokered private placement financing of a minimum of 16,000,000 Units at a price of \$0.25 per Unit for gross proceeds of \$4,000,000.00. Each Unit consists of one Common Share and Warrant with each Warrant entitling the holder to acquire one Common Share at \$0.40 for a period of 24 months following the closing of the Private Placement. Royal Helium has also granted the agents an option ("Agent's Option") to arrange the purchase of up to an additional 50% of Units (up to 8 million additional Units) under the offering at the issue price.

The Private Placement was amended and expanded on December 9, 2020 to increase the size of its minimum offering previously announced on November 30, 2020 to \$5,000,000.00. Million. In conjunction with the increased size of the offering, Royal Helium revised the terms of the offering to reflect a price of \$0.22 per Unit, with each Unit consisting of one Common Share and one half of a Warrant exercisable at a price of \$0.35 for a period of 24 months following the closing of the offering. The Agents's Option was amended to to purchase additional Units in an aggregate amount not to exceed 4,550,000 Units.

The Agent's Option was increased slightly on closing to provide for the aggregate issuance of 5,227,272 Units.

b) the purpose and business reasons for the transaction:

The net proceeds from the Private Placement will be used to drill Royal Helium's initial primary helium exploration wells at its 100% owned Climax helium project in southwestern Saskatchewan and for general working capital purposes.

c) the anticipated effect of the transaction on the issuer's business and affairs:

See #5(b) above. The exploration drilling will allow for Royal Helium to take a significant step forward in developing its helium assets.

d) a description of:

i. the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Tom MacNeil, a director of Royal Helium, purchased through TMM Portfolio Management Inc., a company controlled by Mr. MacNeil, 176,152 Units.

ii. the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

As a result of the issuance of the Units to TMM Portfolio Management Inc. Mr. MacNeil has ownership and control, directly, of 2,895,034 Common Shares and 911,152 Warrants of Royal Helium, representing approximately ~3.22% of the issued and outstanding Common Shares of Royal Helium on a non-diluted basis.

e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A unanimous resolution of the board of directors of Royal Helium authorizing the Private Placement was passed on December 22, 2020.

f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

N/A

g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction

- i. that has been made in the 24 months before the date of the material change report:**

N/A

- ii. the existence of which is known, after reasonable enquiry to the issuer or to any director or officer of the issuer:**

N/A

h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

N/A

i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contain in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the securities to be distributed in the Private Placement nor the consideration to be received for those securities, in so far as the Private Placement involves the insiders, exceeds 25% of Royal Helium's market capitalization

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Andrew Davidson, CEO
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Item 9 Date of Report

December 23, 2020