

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws. Accordingly, these securities may not be offered or sold to, or for the account or benefit of, persons within the United States (as defined in Regulation S under the U.S. Securities Act) (the "United States") or U.S. persons (as defined in Regulation S under the U.S. Securities Act) ("U.S. Persons") except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons within the United States or U.S. Persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Royal Helium Ltd., by sending a written request to Suite 602 - 224 4th Avenue S, Saskatoon, Saskatchewan (Telephone: 306 653-2692), and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

May 31, 2021



ROYAL HELIUM LTD.

\$15,000,000

30,000,000 Units

Price: \$0.50 per

Unit

This short form prospectus qualifies the distribution in each of the provinces of Canada, except Québec, of 30,000,000 units (the "Units") of Royal Helium Ltd. ("Royal" or the "Corporation") at a price of \$0.50 per Unit (the "Offering Price") for aggregate gross proceeds of \$15,000,000 (the "Prospectus Offering"). The Units are being issued and sold pursuant to an underwriting agreement dated effective May 17, 2021 (the "Underwriting Agreement") among the Corporation and Cormark Securities Inc. ("Cormark") and Eight Capital ("Eight Capital", and together with Cormark, the "Co-Lead Underwriters"), together with Canaccord Genuity Corp. (collectively, with the Co-Lead Underwriters, the "Underwriters"). The Offering Price was determined based on arm's length negotiations between the Corporation and the Co-Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the common shares of the Corporation (each a "Common Share"). See "Description of Securities Being Distributed" and "Plan of Distribution".

Each Unit will consist of one Common Share (each, a "Unit Share") and one half of one Common Share purchase warrant (each whole warrant, a "Warrant") expiring 24 months after the date of issuance of such Warrants, (subject to adjustment in certain events as further discussed below). The Warrants will be governed by a warrant indenture (the "Warrant Indenture") to be dated as of the Closing Date (as defined herein) and to be entered into between the Corporation and Computershare Investor Services Inc. ("Computershare") as warrant trustee. Each Warrant shall entitle the holder thereof to purchase one Common Share (a "Warrant Share") at an exercise price (the "Exercise Price") equal to \$0.75 at any time up to 24 months following the Closing Date, subject to the acceleration of the expiry date in the event the closing price of the Common Shares equals or exceeds at least \$1.25 for ten (10) consecutive trading days on the TSX Venture Exchange (the expiry date, as applicable, the "Warrant Expiry Date").

The issued and outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange ("TSXV") under the trading symbol "RHC". On May 14, 2021, the last complete trading day prior to the announcement of the Prospectus Offering, the closing price of the Common Shares on the TSXV was \$0.58. On May 28, 2021, the last complete trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.68.

The TSXV has conditionally approved the listing of the Unit Shares, the Warrants, the Warrant Shares, the Broker Unit Shares (as defined herein) issuable on exercise of the Broker Warrants (as defined herein) and the Brokers Warrant Unit Warrant Shares (as defined herein) issuable on exercise of the Broker Warrant Unit Warrants (as defined herein) (collectively, the "**Underlying Securities**") on the TSXV. Such listings is subject to the Corporation fulfilling all the listing requirements of the TSXV. This short form prospectus qualifies for distribution the Unit Shares and Warrants comprising the Units, the Broker Warrants and each of the Underlying Securities.

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾⁽²⁾</u>	<u>Net Proceeds to the Corporation⁽³⁾</u>
Per Unit	\$0.50	\$0.035	\$0.465
Total Offering	\$15,000,000	\$1,050,000	\$13,950,000

Notes:

- (1) In consideration for the services rendered by the Underwriters in connection with the Prospectus Offering, the Corporation has agreed to pay the Underwriters a cash commission equal to 7.0% (the "**Underwriters' Fee**") of the gross proceeds of the Prospectus Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option). As additional consideration for the services rendered in connection with the Prospectus Offering the Corporation has agreed to issue the Underwriters such number of non-transferable warrants (the "**Broker Warrants**") as is equal to 7.0% of the number of Units sold under the Prospectus Offering (including any Units sold on the exercise of the Over-Allotment Option). Each Broker Warrant shall entitle the holder thereof to acquire an equal number of Units (each, a "**Broker Warrant Unit**") for a period of 24 months from the Closing Date on payment of the exercise price of \$0.50 per Broker Warrant Unit. Each Broker Warrant Unit will be comprised of one Common Share (each, a "**Broker Unit Share**") and half of one (1/2) warrant (each whole warrant, a "**Broker Warrant Unit Warrant**"). Each Broker Warrant Unit Warrant will have substantially the same terms as the Warrants issuable pursuant to the Prospectus Offering and will entitle the holder thereof to acquire one Common Share (each, a "**Brokers Warrant Unit Warrant Share**") at any time prior to and including the Warrant Expiry Date on payment of the exercise price of \$0.75 per Brokers Warrant Unit Warrant Share. This short form prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".
- (2) The Corporation has granted the Underwriters an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part in the sole discretion of the Underwriters at any time up to 30 days after the Closing Date (as defined herein), to purchase up to an additional fifteen (15%) percent of the issued Units, being 4,500,000 Units (the "**Over-Allotment Units**"), at the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. See "*Plan of Distribution*". The grant of the Over-Allotment Option is qualified by this short form prospectus. A person who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full for Over-Allotment Units, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" (before payment of the expenses of the Prospectus Offering) will be \$17,250,000, \$1,207,500 and \$16,042,500, respectively. See "*Plan of Distribution*" and the table below.
- (3) After deducting the Underwriters' Fee, but before deducting the expenses of the Prospectus Offering, estimated to be \$200,000. The Underwriters' Fee and expenses of the Prospectus Offering will be paid by the Corporation out of the gross proceeds of the Prospectus Offering. See "*Plan of Distribution*".

The Underwriters' position is as follows:

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Option to acquire up to 4,500,000 Over-Allotment Units	Any time until and including 30 days after the Closing Date	\$0.50 per Over-Allotment Unit
Broker Warrants	Up to 2,415,000 Broker Warrants	Any time until and included 24 months from the Closing Date	\$0.50 per Broker Warrant

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Corporation by Bergerman Smith LLP and on behalf of the Underwriters by Burnet, Duckworth & Palmer LLP. The Corporation has been advised by the Underwriters that, in connection with the Prospectus Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced may be discontinued at any time. See "*Plan of Distribution*". Neither the Corporation nor the Underwriters are "related issuers" or "connected issuers" as those terms are defined in National Instrument 33-105 *Underwriting Conflicts*.

The Underwriters propose to offer the Units initially at the Offering Price. After a reasonable effort has been made to sell all the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. See "*Plan of Distribution*".

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Unit Shares and the Warrants will be delivered under the book-based system through CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited in registered or electronic form with CDS on the closing of the Prospectus Offering, which is expected to be on or about June 8, 2021 (the "**Closing Date**"), or such other date as may be agreed upon by the Corporation and the Underwriters, provided that the Units are to be taken up by the Underwriters on or before the date that is not later than forty-two (42) days after the date of the receipt for the (final) short form prospectus relating to the Prospectus Offering. No certificates evidencing the Unit Shares and Warrants comprising the Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. See "*Plan of Distribution*".

There is currently no market through which the Warrants may be sold, and purchasers may not be able to resell Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. Investing in the Units involves certain risks that should be considered by a prospective purchaser. The risk factors included or incorporated by reference in this short form prospectus should be carefully reviewed and considered by purchasers in connection with an investment in the Units. See "*Notice to Investors – Forward-Looking Information*" and "*Risk Factors*" in this short form prospectus, and "*Special Note Regarding Forwarding-Looking Information*" and "*Risk Factors*" in the AIF (as defined herein), which is incorporated by reference herein and available electronically on SEDAR at www.sedar.com.

The Corporation's head and registered office is located at Suite 602 - 224 4th Avenue S, Saskatoon, Saskatchewan.

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NOTICE TO INVESTORS

About this Short Form Prospectus

Readers should rely only on the information contained in this short form prospectus (including the documents incorporated by reference) and should not rely on some parts of the short form prospectus to the exclusion of others. The Corporation has not, and the Underwriters have not, authorized any other person to provide investors with additional or different information. If anyone provides you with additional, different or inconsistent information, including information or statements in articles about the Corporation or through other forms of media, readers should not rely on it. The Corporation is not, and the Underwriters are not, offering the securities in any jurisdiction in which the Prospectus Offering is not permitted. Investors should assume that the information contained in this short form prospectus is accurate only as of the date on the front of this short form prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this short form prospectus or of any sale of the securities pursuant thereto. The Corporation's business, financial condition, results of operations and prospects may have changed since the date on the front of this short form prospectus.

Information contained in this short form prospectus should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisors in connection therewith.

Forward-Looking Information

This short form prospectus contains certain statements which contain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (each, a "**forward-looking statement**"). No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this short form prospectus should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Corporation to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the completion of the Prospectus Offering and the receipt of all regulatory and stock exchange approvals in connection therewith;
- the anticipated Closing Date;
- the Corporation's future operating and financial results;
- the use of the net proceeds of the Prospectus Offering;
- the competitive and business strategies of the Corporation;
- whether the Corporation will have sufficient working capital and its ability to raise additional financing required in order to develop its business, continue operations, and/or pursue prospective opportunities;
- changes in the regulatory environment, including the introduction of new provincial and federal regulatory regimes relating to the exploration and development of helium; and
- the performance of the Corporation's business and operations.

The forward-looking statements within this document are based on information currently available and what management believes are reasonable assumptions. Those assumptions include but are not limited to assumptions on (i) the Corporation's ability to generate cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial, market, regulatory and political conditions in which the Corporation operates; (iii) consumer interest in the Corporation's products; (iv) competition; (v) anticipated and unanticipated costs; (vi) government regulation of the Corporation's activities and products and in the area of taxation and environmental production; (vii) timely receipt of any required regulatory approvals; (viii) the Corporation's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner and (ix) the Corporation's development plans and the timeframe for completion of such plans. Forward-looking statements speak only as of the date of this short form prospectus. In addition, this short form prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by us.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or

achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this short form prospectus, including, but not limited to, the following material factors:

- failure to maintain the Corporation's licences;
- share price volatility;
- the failure to obtain required regulatory approvals or permits;
- delays in the delivery or installation of equipment by suppliers;
- difficulties in integrating new equipment with existing facilities, shortages in materials or labor, defects in design or construction, diversion of management resources, and insufficient funding or other resource constraints;
- loss of key personnel; and
- the failure of the Corporation to effectively manage growth.

Such factors are discussed in more detail under the heading "*Risk Factors*" in this short form prospectus and in the AIF (as defined herein). New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this short form prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this short form prospectus. Except as may be required by applicable securities laws, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this short form prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Readers should read this entire short form prospectus and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of their investment in the Units.

The Corporation is in the business of the exploration and development of prospective helium deposits, primarily in the Province of Saskatchewan, Canada. Helium is not a "product type" as such term is defined by National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and consequently the Corporation is not engaged in "oil and gas activities" as contemplated by NI 51-101. As such, the Corporation has not, and does not, make certain disclosures in accordance with NI 51-101 that would apply to a reporting issuer engaged in "oil and gas activities". Any references to reserves, volumes or other similar disclosures in the Corporation's public record, including the documents incorporated by reference herein, should not be interpreted as being prepared in accordance with NI 51-101 guidelines or and the related definitions set forth in Staff Notice 51-324 – *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

CURRENCY PRESENTATION AND FINANCIAL INFORMATION

All dollar references in this short form prospectus (and certain documents incorporated by reference in the short form prospectus) are in Canadian dollars, unless otherwise indicated. The following table sets forth for each of the periods indicated, the period end daily average exchange rate, the average exchange rate and the high and low daily average exchange rates of one United States dollar in exchange for Canadian dollars, as reported by the Bank of Canada.

	Three Months Ended March 31		Year ended December 31		
	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Rate at End of Period	\$1.2575	\$1.4187	\$1.2732	\$1.2988	\$1.3642
Average Rate During Period	\$1.2660	\$1.3449	\$1.3415	\$1.3269	\$1.2957
High	\$1.2828	\$1.4496	\$1.4496	\$1.3600	\$1.3642
Low	\$1.2455	\$1.2970	\$1.2718	\$1.2988	\$1.2288

The daily average exchange rate on May 28, 2021, as reported by the Bank of Canada, for the conversion of one United States dollar was \$1.2086.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by the Corporation with securities commissions or similar authorities in Canada are specifically incorporated into this short form prospectus. Copies of these documents may be obtained on request without charge from the Chief Financial Officer of Royal, by sending a written request to Suite 602 - 224 4th Avenue S, Saskatoon, Saskatchewan (Telephone: 306 653-2692), or by accessing these documents on the System for Electronic Document Analysis and Retrieval (SEDAR), at www.sedar.com:

- (a) the annual information form of the Corporation for the financial year ended December 31, 2020, dated April 19, 2021, as amended and restated on May 31, 2021 (the "**AIF**");
- (b) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2020, and 2019, together with the notes thereto and the auditor's report thereon;
- (c) the management's discussion and analysis of the financial condition and results of operations of the Corporation for the year ended December 31, 2020 (the "**Annual MD&A**");
- (d) the interim unaudited financial statement of the Corporation as at and for the three (3) months ended March 31, 2021, with the notes thereto (the "**Interim Financial Statements**");
- (e) the management's discussion and analysis of the financial condition and results of operations of the Corporation for the three (3) months ended March 31, 2021 (the "**Interim MD&A**");
- (f) the material change report of the Corporation dated May 27, 2021, in respect of the Prospectus Offering;
- (g) the notice of meeting and management proxy and information circular of the Corporation dated May 20, 2021, relating to the annual and special meeting of Shareholders to be held on June 21, 2021;
- (h) the notice of meeting and management proxy and information circular of the Corporation dated October 21 2020, relating to the annual and special meeting of Shareholders held on November 25, 2020; and
- (i) the "template version" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) of the term sheets for the Prospectus Offering each dated May 17, 2021, available electronically on SEDAR at www.sedar.com (the "**Marketing Materials**").

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by the Corporation specifically referencing incorporation by reference into this short form prospectus, if filed by the Corporation with the provincial securities commissions or similar authorities in Canada after the date of this short form prospectus and before the distribution of the securities being qualified hereunder, are deemed to be incorporated by reference in this short form prospectus.

Documents referenced in any of the documents incorporated by reference in this short form prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this short form prospectus are not incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is

required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.

MARKETING MATERIALS

The Marketing Materials do not form part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus.

Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this short form prospectus and before the termination of the distribution under the Prospectus Offering (including any amendments to, or an amended version of, the Marketing Materials) are deemed to be incorporated by reference into this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bergerman Smith LLP, counsel to the Corporation, and Burnet, Duckworth & Palmer LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and regulations thereunder (together, the "**Tax Act**"), in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**"), provided that:

(i) in the case of Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes the TSXV) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act); and

(ii) in the case of the Warrants, the Warrant Shares are qualified investments as described in (i) above and neither the Corporation, nor any person with whom the Corporation does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (within the meaning of the Tax Act) in the Corporation. In addition, the Common Shares and Warrant Shares will generally not be a "prohibited investment" if such securities are "excluded property" (as defined in the Tax Act).

Individuals who hold or intend to hold Common Shares, Warrant Shares or Warrants in a TFSA, RRSP, RESP, RDSP or RRIF should consult their own tax advisors as to whether such securities will be a "prohibited investment" in their particular circumstances.

SUMMARY DESCRIPTION OF THE BUSINESS

The Corporation is engaged in the exploration and evaluation of helium properties. It is focused on helium production from its helium exploration permits and leases in Saskatchewan, Canada. The Corporation is one of the largest helium lease and permit holders in North America, with land that was acquired both from the Crown and freehold lease agreements. All the land acquired was subject to thorough analysis of existing well, seismic, and geological data and is associated with some of the highest known helium concentrations in Saskatchewan. 45% of the Corporation's helium properties are on 21-year helium leases with the Government of Saskatchewan and all are in close vicinity to roads, highways, cities and existing oil and gas infrastructure.

Helium is a non-sustainable resource that is used in high-tech and health care industries with specific applications in rocket technology, semiconductors, and cooling for magnetic resonance imaging (MRIs). The Corporation's projects continue to be evaluated by helium experts, professional geologists, and engineers.

The Corporation has drilled three (3) wells in the Climax area of Saskatchewan into the Precambrian basement, directly below the Deadwood formation. The Deadwood formation is a sand and shale sequence that is a known helium producing formation in Saskatchewan. The Corporation's three (3) wells are targeting different parts of the same structural trap identified in the Corporation's central portion of its land block near Climax Saskatchewan. For further information with respect to the Corporation and its business see "*Description of the Business*" in the AIF incorporated by reference herein.

RECENT DEVELOPMENTS

On May 12, 2021, the Corporation announced a significant helium discovery at the Climax helium project, located in SW Saskatchewan, Canada. Royal has discovered a 39-meter contiguous helium bearing zone at Climax-3 in the basal Deadwood Regolith ("**Regolith**") which was a previously unknown helium bearing sequence. The same Regolith zone was also intersected at Climax-2 and Royal has seismically mapped the Regolith over a total area of 32 square kilometers (12.3 mi²). Royal announced its intention to commence production planning shortly on Climax-1, with the intent of producing and monetizing each of the helium, CO₂, and nitrogen gas streams discovered within the Souris River and Wymark zones. As of the date of this short form prospectus, however, the Corporation has not yet formalized or completed its production, processing and marketing plans with respect to Climax-1.

CONSOLIDATED CAPITALIZATION

The following table sets out the share capital of Royal as at March 31, 2021, both before and after giving effect to the Prospectus Offering (including the Over-Allotment Option). The table should be read in conjunction with the Interim Financial Statements and the Interim MD&A, which are incorporated by reference in this short form prospectus.

Designation	As at March 31, 2021 before giving effect to the Prospectus Offering	As at March 31, 2021 after giving effect to the Prospectus Offering but before giving effect to the Over-Allotment Option <small>(1)(2)(6)</small>	As at March 31, 2021 after giving effect to the Prospectus Offering, including the Over-Allotment Option <small>(1)(2)(6)(7)</small>
Shareholders' Equity ⁽³⁾⁽⁴⁾⁽⁵⁾	\$31,387,748	\$45,137,748	\$47,230,248
	(100,555,934 Common Shares)	(130,555,934 Common Shares)	(135,055,934 Common Shares)

Notes:

- (1) Based on the issuance of 30,000,000 Units pursuant to the Prospectus Offering for aggregate gross proceeds of \$15,000,000 less the Underwriters' Fee of \$1,050,000 and after deducting expenses of the Offering estimated to be \$200,000 (exclusive of taxes).
- (2) Each Unit issued pursuant to the Prospectus Offering will be issued at the Offering Price of \$0.50 per Unit and will be comprised of one Unit Share and one half of one (1/2) Warrant. Each Warrant shall entitle the holder thereof to purchase one Warrant Share at the Exercise Price at any time prior to and including the Warrant Expiry Date.
- (3) Does not include up to 7,400,000 Common Shares (as at March 31, 2021, and May 28, 2021) issuable pursuant to outstanding options ("**Options**") under the Corporation's option plan.
- (4) Does not include up to 4,005,000 Common Shares (as at March 31, 2021), and 2,500,000 Common Shares (as at May 28, 2021) issuable on exercise of outstanding warrants issued by the Corporation in July 2020 (the "**July 2020 Warrants**"), and up to 13,977,272 Common Shares (as at March 31, 2021) and 11,323,622 Common Shares (as at May 28, 2021) issuable on exercise of outstanding warrants issued by the Corporation in December 2020 (the "**December 2020 Warrants**"). See also "*Prior Sales*".
- (5) Does not include up to 1,837,500 Common Shares (as at March 31, 2021, and May 28, 2021) and up to 918,750 December 2020 Warrants (as at March 31, 2021, and May 28, 2021) issuable on exercise of outstanding broker warrants issued by the Corporation in December 2020 (the "**December 2020 Broker Warrants**"), each December 2020 Broker Warrant entitling the holder to acquire one Common Share and one half of one December 2020 Warrant. See also "*Prior Sales*".
- (6) In connection with the Prospectus Offering, the Corporation has agreed to issue the Underwriters such number of Broker Warrants as is equal to 7.0% of the number of Units sold under the Prospectus Offering (including any Units sold on the exercise of the Over-Allotment Option). Each Broker Warrant shall entitle the holder thereof to acquire an equal number of Broker Warrant Units for a period of 24 months from the Closing Date on payment of the exercise price of \$0.50 per Broker Warrant Unit. Each Broker Warrant Unit will be comprised of one Broker Unit Share and half of one (1/2) Broker Warrant Unit Warrant. Each Broker Warrant Unit Warrant will have substantially the same terms as the Warrants issuable pursuant to the Prospectus Offering and

- will entitle the holder thereof to acquire one Brokers Warrant Unit Warrant Share at any time prior to and including the Warrant Expiry Date on payment of the exercise price of \$0.75 per Brokers Warrant Unit Warrant Share.
- (7) Based on the issuance of 4,500,000 Units pursuant to the exercise of the Over-Allotment Option for additional gross proceeds of \$2,250,000 less the additional Underwriters' Fee of \$157,500 and after deducting expenses of the Offering estimated to be \$200,000 (exclusive of taxes).

USE OF PROCEEDS

The estimated net proceeds to the Corporation from the Prospectus Offering (before giving effect to the Over-Allotment Option), after payment of the Underwriters' Fee and the estimated expenses of this Offering, will be \$13,750,000 (\$15,842,500 after giving effect to the exercise, in full, of the Over-Allotment Option).

The net proceeds of the Prospectus Offering will be used to fund exploration and development drilling for Helium deposits on the Corporation's lands and for general corporate purposes. In particular, the Corporation intends to use the net proceeds of the Prospectus Offering (before giving effect to the Over-Allotment Option) to fund the following:

- | | |
|---|--------------|
| 1. Drilling program in respect of seven additional wells on currently held helium properties: | \$10,500,000 |
| 2. Aeromagnetic surveys: | \$250,000 |
| 3. Engineering and other costs related to the initiation of production: | \$1,000,000 |
| 4. Acquisition of additional seismic data | \$1,000,000 |
| 5. General and administrative costs: | \$1,000,000 |

In the event the Over-Allotment Option is exercised in full, the Corporation intends to allocate such additional net proceeds of \$2,092,500 to fund the drilling of an additional well, and for general corporate purposes.

Royal expects that the use of proceeds from the Prospectus Offering will advance its overall objectives described herein and as described in the AIF incorporated by reference herein. No significant event needs to occur in order for Royal to achieve such objectives, which remain subject to the normal risks and uncertainties that prevail in the undertaking in which Royal is engaged. Royal expects that it will take approximately twelve (12) months to achieve its overall objectives described in this short form prospectus. See "*Note Regarding Forward-Looking Information and Statements*" and "*Risks Factors*" in this short form prospectus, "*Special Note Regarding Forward-Looking Information*" and "*Risk Factors*" in the AIF and, "*Caution Regarding Forward-Looking Information*" and "*Risk Factors*" the Annual MD&A, and "*Caution Regarding Forward-Looking Statements*" and "*Financial Risk Factors*" in the Interim MD&A. While Royal currently intends to use the net proceeds of the Prospectus Offering as stated above, management in its discretion may determine it advisable to reallocate all or a portion of the net proceeds for other reasons, including, among others, due to results of operations or as a result of other opportunities that may become available to Royal. Consequently, there can be no assurance as of the date of this short form prospectus if or how the net proceeds of the Prospectus Offering may be reallocated. See "*Risk Factors – Use of Proceeds*".

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the Underwriting Agreement dated effective May 17, 2021 among the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have agreed to purchase, as principals, on a "bought deal" basis in the respective percentages set forth in the Underwriting Agreement, on the Closing Date, 30,000,000 Units for consideration of \$0.50 per Unit, payable in cash to the Corporation against delivery by the Corporation of the Units. The Offering Price was determined by arm's length negotiation between the Corporation and Co-Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

The Underwriting Agreement provides for the payment to the Underwriters of a fee equal to \$0.035 per Unit sold (or 7.0%) in the Prospectus Offering, including any Units sold pursuant to the Over-Allotment Option. As additional consideration for the services rendered in connection with the Prospectus Offering the Corporation has also agreed to issue the Underwriters

such number of Broker Warrants as is equal to 7.0% of the number of Units issued pursuant to the Prospectus Offering (including pursuant to the Over-Allotment Option). Each Broker Warrant shall entitle the holder thereof to acquire an equal number of Broker Warrant Units for a period of 24 months from the Closing Date on payment of the exercise price of \$0.50 per Broker Warrant Unit. Each Broker Warrant Unit will be comprised of one Broker Unit Share and half of one (1/2) Broker Warrant Unit Warrant. Each Broker Warrant Unit Warrant will have substantially the same terms as the Warrants issuable pursuant to the Prospectus Offering and will entitle the holder thereof to acquire one Brokers Warrant Unit Warrant Share at any time prior to and including the Warrant Expiry Date on payment of the exercise price of \$0.75 per Brokers Warrant Unit Warrant Share, subject to the Acceleration Provision.

Pursuant to the Underwriting Agreement, the Corporation has agreed not to directly or indirectly, offer, issue, sell, grant, secure, pledge or otherwise transfer, dispose of or monetize or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 60 days after the Closing Date, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Offering Price; (ii) the exercise of outstanding warrants; or (iii) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint, nor joint and several, and may be terminated at their discretion upon the occurrence of certain stated events as set forth in the Underwriting Agreement and the Underwriting Agreement includes customary "regulatory proceedings out", "material change or change in material fact out" and "disaster out" clauses to this effect. In certain circumstances, if an Underwriter fails to purchase the Offered Units which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Offered Units. The Underwriters are, however, obligated to take up and pay for all Offered Units if any Offered Units are purchased under the Underwriting Agreement. Subject to the terms of the Underwriting Agreement, Royal has also agreed to indemnify the Underwriters and their respective directors, officers, employees, partners and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Units for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Units. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Prospectus Offering, the Underwriters may over-allot or effect transactions in connection with the Prospectus Offering intended to stabilize or maintain the market price of the Units at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Units initially at the Offering Price specified above. After a reasonable effort has been made to sell all of the Units at the Offering Price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Corporation.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Unit Shares and Warrants will be delivered under the book-based system through CDS or its nominee and deposited in registered or electronic form with CDS on the Closing Date, or such other date as may be agreed upon by the Corporation and the Underwriters, provided that the Units are to be taken up by the Underwriters on or before the date that is not later than forty-two (42) days after the date of the receipt for the (final) short form prospectus relating to the Prospectus Offering. A purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased.

The Unit Shares and the Warrants have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and, subject to registration under the U.S. Securities Act and applicable U.S. state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, to or for the account or benefit of, persons within the United States. Except as permitted in the Underwriting Agreement and as expressly permitted by applicable laws of the United States, the Underwriters will not offer, sell or deliver the Units to, or for the account or benefit of, persons in the United States. The Underwriting Agreement permits the Underwriters, acting through their registered United States broker-dealer affiliates, to offer and sell the Units to, or for the account or benefit of, persons in the United States who are "qualified institutional buyers" (as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act ("**Qualified Institutional Buyers**"), provided such offers and sales are made in accordance with Rule 144A, and in compliance with exemptions under applicable U.S. state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

In addition, until forty (40) days after the closing of the Prospectus Offering, an offer or sale of the Units, to, or for the account or benefit of, persons within the United States or a U.S. Person by any dealer (whether or not participating in the Prospectus Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements under the U.S. Securities Act and similar exemptions under applicable state securities laws.

The Units will be offered in each of the provinces of Canada, except Québec, through the Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units outside of Canada.

The TSXV has conditionally approved the listing of the Underlying Securities on the TSXV. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSXV.

The Corporation has granted to the Underwriters the Over-Allotment Option, which is exercisable at any time, in whole or in part for a period of thirty (30) days from the Closing Date and pursuant to which the Underwriters may purchase up to an additional 4,500,000 Units on the same terms as set forth above, solely to cover over-allotment, if any and for market stabilization purposes. This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of Units issued and sold by the Corporation upon exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters over-allocation position acquires those Units under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Offering, Underwriters' Fee and the net proceeds to the Corporation (before deducting expenses of the Offering) will be \$17,250,000, \$1,207,500, and \$16,042,500, respectively.

The issued and outstanding Common Shares are currently listed on the TSXV under the symbol "RHC". On May 14, 2021, the last complete trading day prior to the announcement of the Prospectus Offering, the closing price of the Common Shares on the TSXV was \$0.58. On May 28, 2021, the last complete trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.68. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors".**

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The Prospectus Offering consists of Units offered at the Offering Price of \$0.50 per Unit. Each Unit will consist of one (1) Unit Share and one half of one (1/2) Warrant.

Common Shares

The holders of Common Shares are entitled to notice of, and to vote at, all meetings of shareholders and are entitled to one vote per Common Share. Holders of Common Shares are entitled to receive, if, as and when declared by the board of directors of the Corporation (the "**Board**"), such dividends as may be declared thereon by the Board from time to time. In the event of the liquidation, dissolution or winding up of the Corporation, or any other distribution of assets among its shareholders for

the purpose of winding up its affairs, holders of Common Shares are entitled to share pro rata in the distribution of the property and assets of the Corporation. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or any redemption, retraction, purchase for cancellation or surrender rights, nor do they contain any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a shareholder to contribute additional capital. For further information on the rights, privileges, restrictions and conditions attached to the Common Shares, see the AIF which is incorporated by reference herein.

Warrants

The following is a summary of the material attributes and characteristics of the Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.

General

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at the Exercise Price at any time prior to 5:00 p.m. (Calgary time) on the Warrant Expiry Date (which will initially be the date that is 24 months following the Closing Date, subject to the acceleration in the event the closing price of the Common Shares equals or exceeds at least \$1.25 for ten (10) consecutive trading days on the TSX Venture Exchange), subject to adjustment in certain customary events, after which time the Warrants will expire.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Corporation and Computershare, as warrant agent. The Corporation will appoint the principal transfer office of Computershare in Calgary, Alberta as the locations at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Corporation may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a dividend in the ordinary course or a distribution of Common Shares upon the exercise of any Warrants or options outstanding as of the date of the Warrant Indenture);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of Common Shares;
- (d) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price" ("**Current Market Price**" will be defined in the Warrant Indenture as the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty consecutive Trading Days ending immediately prior to such date on the TSXV) for the Common Shares on such record date; and
- (e) the distribution to all or substantially all of the holders of the Common Shares of securities of any class, whether of the Corporation any other trust (other than Common Shares), rights, options or warrants to subscribe for or purchase Common Shares or securities exchangeable or convertible into any Common Shares (other than pursuant to a "Rights Offering", as will be defined in the Warrant Indenture), evidences of indebtedness or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (a) reclassifications of the Common Shares;
- (b) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or
- (c) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to Computershare and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date of such event, if any.

In the event the Warrants are subject to accelerated expiry, the Corporation will provide notice to the holders of Warrants specifying that the closing price of the Common Shares on the TSXV for 10 consecutive trading days has equaled or exceeded \$1.25 and the Warrant Expiry Date has been accelerated to expire on the date that is not less than 30 days following delivery of such notice.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Corporation may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing of at least 10% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of Warrants present in person or by proxy shall form a quorum and passed by the affirmative vote of the holders of Warrants representing not less than 66^{2/3}% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66^{2/3}% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will any certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Corporation; provided, however, that a holder who is an Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Prospectus Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires, as beneficial owner, pursuant to this Prospectus Offering, Units consisting of one Common Share and one-half of one Warrant or to a beneficial owner of Warrants who acquires a Warrant Shares pursuant to the exercise of Warrants and who at all relevant times, for purposes of the Tax Act, (a) holds the Common Shares, Warrants and will hold Warrant Shares issuable on the exercise of the Warrants, as capital property, and (b) deals at

arm's length with the Corporation and the Underwriters and is not affiliated with the Corporation or the Underwriters (a "**Holder**"). Generally, the Common Shares, Warrants and Warrant Shares will be considered to be capital property to a Holder unless they are held or acquired in the course of carrying on a business of trading in or dealing in securities or as part of an adventure or concern in the nature of trade. For purposes of this summary, references to Common Shares include Warrant Shares unless otherwise indicated.

This summary is based on the current provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) ("**Tax Proposals**") before the date of this prospectus and the current published administrative practices of the Canada Revenue Agency ("**CRA**"). No assurance can be made that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representation concerning the tax consequences to any particular Holder or prospective Holder are made. Accordingly, prospective Holders of Units should consult their own tax advisers with respect to an investment in the Units having regard to their particular circumstances.

Acquisition of Common Shares and Warrants

Holders will be required to allocate on a reasonable basis the cost of the Unit between the Common Share and the one-half Warrant in order to determine their respective costs for purposes of the Tax Act.

For its purposes, the Corporation intends to allocate \$0.49 to each Common Share and \$0.01 to each one-half of a Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA. The Holder's adjusted cost base of the Common Share comprising a part of each Unit will be determined by averaging the cost allocated to the Common Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

The adjusted cost base to a Holder of each Unit Share acquired pursuant to this Prospectus Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of Warrants to acquire Warrant Shares. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for purposes of the Tax Act ("**Resident Holder**"). This section of the summary does not apply to a Holder: (a) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules, (b) an interest in which would be a "tax shelter investment" as defined in the Tax Act, (c) that is a "specified financial institution" as defined in the Tax Act, (d) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (e) that has entered or will enter into a "derivative forward agreement" under the Tax Act with respect to their Common Shares, or Warrants; or (f) that is exempt from tax under Part I of the Tax Act. Any which this summary does not apply should consult its own tax adviser with respect to the tax consequences of the Prospectus Offering.

A Resident Holder whose Common Shares do not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares and every other

"Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

Dispositions of Common Shares or Warrants

Upon a disposition or deemed disposition of Common Shares (other than on a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or a Warrant (other than on the exercise or expiry of a Warrant) a capital gain (or capital loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition of the security are greater (or less) than the aggregate of the adjusted cost base of the security to the Resident Holder immediately before the disposition and any reasonable costs of disposition.

Taxation of Capital Gains and Capital Losses

One-half of a capital gain (a "**taxable capital gain**") must be included in a Resident Holder's income. One-half of a capital loss (an "**allowable capital loss**") must generally be deducted by a Resident Holder against taxable capital gains realized in that year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or in any subsequent year (against taxable capital gains realized in such years) to the extent and under the circumstances described in the Tax Act.

If the Resident Holder is a corporation, any capital loss realized on the sale of Common Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such Common Shares. Analogous rules apply to a partnership or certain trusts of which a corporation is a member or beneficiary.

A "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including an amount in respect of a taxable capital gain arising from the disposition of a Common Share or Warrant.

Taxable capital gains realized by a Resident Holder who is an individual may give rise to alternative minimum tax depending on the Resident Holder's circumstances.

Holders Not Resident in Canada

This portion of the summary only applies to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold Units, Common Shares, or Warrants in the course of a business carried on or deemed to be carried on in Canada ("**Non-Resident Holder**"). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dispositions of Common Shares and Warrants and Expiry of Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant is "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. In addition, capital losses arising on a disposition or deemed disposition of a Warrant (including on expiry of a Warrant), or Common Shares will not be recognized under the Tax Act, unless the Warrant, or Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or Warrant, as applicable, will not constitute taxable Canadian property of a Non-Resident Holder provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the TSXV) at the time of disposition of such security, unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Common Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act. Non-Resident Holders should consult their own tax advisors as to whether their Common Shares or Warrants constitute "taxable Canadian property" in their own particular circumstances.

Taxation of Capital Gains and Capital Losses

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is "taxable Canadian property" to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the heading "Holders Resident in Canada — Taxation of Capital Gains and Capital Losses" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors. Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

PRIOR SALES

As of May 28, 2021, there were 104,714,584 Common Shares issued and outstanding. Other than as described below, during the 12- month period before the date of this short form prospectus, the Corporation has not issued any other Common Shares or securities that are convertible or exchangeable into Common Shares.

<u>Date</u>	<u>Type of Security</u>	<u>Number of Securities</u>	<u>Issue Price Per Security</u>	<u>Consideration Received</u>
January 11, 2021	Options ⁽¹⁾	4,800,000	N/A	N/A
January 1, 2021 to May 28, 2021	Common Shares ⁽²⁾	12,030,000	\$0.07	Cash
December 22, 2020	December 2020 Units (as defined below) ⁽³⁾	27,954,545	\$0.22 per December 2020 Unit	Cash
December 22, 2020	December 2020 Broker Warrants ⁽⁴⁾	1,837,500	N/A	N/A
July 9, 2020	July 2020 Units (as defined below) ⁽⁵⁾	20,000,000	\$0.05 per July 2020 Unit	Cash
January 1, 2021 to May 28, 2021 ⁽⁶⁾	Common Shares	200,000	\$0.44	Cash
January 1, 2021 to May 28, 2021 ⁽⁷⁾	Common Shares	2,653,650	\$0.35	Cash
July 17, 2020 ⁽⁸⁾	Options	3,000,000	N/A	N/A
August 18, 2020 ⁽⁹⁾	Common Shares	200,000	\$0.23	Cash

Notes:

- (1) The Options have an exercise price of \$0.44 per Common Share and expire on January 10, 2026.
- (2) Represents Common Shares issued on exercise of the July 2020 Warrants.
- (3) On December 22, 2020 the Corporation issued an aggregate of 27,954,545 units (the "**December 2020 Units**"), each December 2020 Unit comprised of one Common Share and one half of one (1/2) December 2020 Warrant. Each December 2020 Warrant is exercisable into one Common Share at a price of \$0.35 per December 2020 Warrant for a period of 24 months from the date of issuance.
- (4) Each December 2020 Broker Warrant entitles the holder to acquire one December 2020 Unit at an exercise price of \$0.22 per December 2020 Unit for a period of 24 months from the date of issuance.
- (5) On July 9, 2020 the Corporation issued an aggregate of 20,000,000 units (the "**July 2020 Units**"), each July 2020 Unit comprised of one Common Share and one July 2020 Warrant. Each July 2020 Warrant is exercisable into one Common Share at a price of \$0.07 per July 2020 Warrant for a period of 12 months from the date of issuance.
- (6) Represents Common Shares issued on the exercise of Options.
- (7) Represents Common Shares issued on the exercise of the December 2020 Warrants.
- (8) The Options have an exercise price of \$0.23 per Common Share and expire on July 17, 2025.
- (9) Represents Common Shares issued on the exercise of Options.

TRADING PRICE AND VOLUME

The Common Shares are listed on the TSXV under symbol "RHC". The following table sets out the high and low trading prices and aggregate volumes of trading of Common Shares on a monthly basis as quoted by the TSXV for each month, or part month, where applicable, for the 12-month period before the date of this short form prospectus.

<u>Period</u>	<u>Low (\$)</u>	<u>High (\$)</u>	<u>Monthly Volume</u>
May 2020	0.030	0.09	1,563,528
June 2020	0.075	0.105	1,862,855
July 2020	0.085	0.580	13,162,121
August 2020	0.360	0.550	2,679,523
September 2020	0.305	0.420	1,192,482
October 2020	0.315	0.420	893,664
November 2020	0.240	0.360	4,241,827
December 2020	0.250	0.495	5,964,585

Period	Low (\$)	High (\$)	Monthly Volume
January 2021	0.420	0.860	7,947,356
February 2021	0.550	0.720	6,588,997
March 2021	0.580	0.855	12,732,538
April 2021	0.480	0.920	16,630,123
May 1 – 28, 2021	\$0.510	\$0.780	20,514,521

On May 28, 2021, the last complete trading day prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.68.

RISK FACTORS

An investment in the Units is speculative

An investment in the Units and the Corporation's prospects generally, are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below and under the heading "Risk Factors" in the AIF. The risks described below, in the AIF are not the only ones facing the Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the AIF actually occur, then the Corporation's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the AIF and the other information elsewhere in this short form prospectus and consult with their professional advisors to assess any investment in the Corporation.

Dilution Resulting from the Prospectus Offering and future equity offerings

Giving effect to the issuance of Units in this Prospectus Offering, the receipt of the expected net proceeds, and the use of those proceeds, this Prospectus Offering may have a dilutive effect on our expected net income/loss available to the Corporation's shareholders per share. Furthermore, other than in accordance with the terms of the Underwriting Agreement, the Corporation is not restricted from issuing additional securities in the future, including Common Shares, securities that are convertible into or exchangeable for, or that represent the right to receive Common Shares or substantially similar securities. To the extent that the Corporation raises additional funds through the sale of equity or convertible debt securities, the issuance of such securities will result in dilution to the shareholders. The Corporation may sell Common Shares or other securities in any other offering at a price per share that is less than the price per share paid by investors in this Prospectus Offering, and investors purchasing Common Shares or other securities in the future could have rights superior to existing shareholders. The price per share at which the Corporation sells additional Common Shares or securities convertible or exchangeable into Common Shares, in future transactions may be higher or lower than the price per share paid by investors in this Prospectus Offering.

Discretion in Use of Proceeds

The Corporation intends to use the net proceeds of the Prospectus Offering to achieve its stated business objective as set forth under "Use of Proceeds". The Corporation maintains broad discretion to spend the proceeds in ways that it deems most efficient. The application of the proceeds to various items may not necessarily enhance the value of the Units, the Warrants or the Common Shares. The failure to apply the net proceeds as set forth under "Use of Proceeds", or the failure of the Corporation to achieve its stated business objectives set forth in such section, could adversely affect the Corporation's business and, consequently, could adversely affect the price of the Units, the Warrants and the Common Shares on the open market.

Market for the Securities

There is currently no market through which the Warrants may be sold. Even though the Corporation has agreed to use its commercially reasonable best efforts to file an application to list the Warrants on the TSXV, there can be no assurance that such listing application will be accepted by the TSXV, or that if any secondary market which does develop, that it will continue. Also, there can be no assurances that any such secondary market will be active or liquid. To the extent that an active

trading market for the Warrants does not develop, the liquidity and the trading prices for the Warrants may be adversely affected.

Volatility of Market Price of the Common Shares and Warrants

The market price of the Common Shares and Warrants may be volatile and subject to wide fluctuations and will be based on a number of factors, including: (i) the prevailing interest rates being paid by companies similar to the Corporation; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) the financial condition, results of operation and prospects of the Corporation; (vi) the publication of earnings estimates for the Corporation or other research reports and speculation regarding the Corporation in the press or investment community; (vii) changes in the industry in which the Corporation operates and competition affecting the Corporation; and (viii) general market and economic conditions. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Units, Common Shares and Warrants.

Shareholder Rights

Holders of Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if such a holder subsequently exercises its Warrants, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Corporation delivers Common Shares upon the exercise of a Warrant and, to a limited extent, under the conversion rate adjustments under the Warrant Indenture. For example, in the event that an amendment is proposed to the Corporation's constituting documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

Investment Eligibility

The Corporation will endeavour to ensure that, following the issuance of the Warrants, the Warrants and the Common Shares continue to be qualified investments under the Tax Act for trusts governed under a Registered Plan or DPSP, however there can be no assurance that the conditions prescribed for the Warrants and the Common Shares to continue to be qualified investments will be adhered to at any particular time. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments.

Negative Operating Cash Flow

The Corporation is a junior helium exploration company and has not generated cash flow from operations. The Corporation is devoting significant resources to the development and acquisition of its properties; however, there can be no assurance that it will generate positive cash flow from operations in the future. To the extent that the Corporation has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. There can be no assurance that the Corporation will be able to generate a positive cash flow from its operations.

Liquidity and Capital Resources

Historically, capital requirements have been primarily funded through the sale of Units, Common Shares and other securities. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Corporation's properties, the state of international debt and equity markets, and investor perceptions and expectations of the global helium market. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Corporation. Based on the amount of funding raised, the Corporation's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

COVID-19 and Global Health Crisis

To date, the COVID-19 global pandemic has had a limited impact on the Corporation, however, COVID-19 and efforts to contain it may have an impact on the Corporation's business in the future. The Corporation continues to monitor the situation and the impact the virus may have on its operations. To date, there have been a large number of temporary business closures,

quarantines and a general reduction in consumer activity in a number of countries, including Canada and the Province of Saskatchewan. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether, or to what extent, this outbreak, government responses to it, and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for helium, global supply chains and government and consumer responses to them, and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, exchange rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour, commodity and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may further impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, it is possible that COVID-19 and its related impacts may have a material adverse effect on the Corporation's business, financial performance and financial condition and the market price of the Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are McGovern Hurley LLP, Chartered Professional Accountants, 251 Consumers Rd Suite 800, North York, Ontario M2J 4R3.

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc., at its offices in Calgary, Alberta.

INTERESTS OF EXPERTS

Certain legal matters relating to the Prospectus Offering and this prospectus will be passed upon by Bergerman Smith LLP, on behalf of the Corporation, and Burnet, Duckworth & Palmer LLP, on behalf of the Underwriters. As of the date hereof, each of Bergerman Smith LLP and Burnet, Duckworth & Palmer LLP, as respective groups, beneficially own, directly and indirectly, less than one (1%) percent of the outstanding Common Shares.

McGovern Hurley LLP are the auditors of the Corporation and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

LEGAL PROCEEDINGS

There are no legal proceedings that the Corporation is or was party to, or that any of its property is or was subject of, during the last completed financial year, nor are there any such legal proceedings known to the Corporation to be contemplated that involve a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of the Corporation.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants (including the Warrants comprising part of the Units), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities

legislation, to the price at which the warrant or convertible debenture is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Date: May 31, 2021.

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada except Québec.

By: (signed) "*Andrew Davidson*"
Chief Executive Officer

By: (signed) "*Jeffrey Sheppard*"
Chief Financial Officer

On Behalf of the Board of Directors:

By: (signed) "*Tom MacNeil*"
Director

By: (signed) "*John Pringle*"
Director

CERTIFICATE OF THE UNDERWRITERS

Date: May 31, 2021.

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada except Québec.

CORMARK SECURITIES INC.

By: (signed) "*Erik Pederson*"

EIGHT CAPITAL

By: (signed) "*Tony Loria*"

CANACCORD GENUITY CORP.

By: (signed) "*Andrew Birkby*"