

Royal Helium Ltd. Announces Non-Brokered Private Placement of Convertible Debenture Units for Gross Proceeds of up to \$4.5 Million, and Proposed Exchange of Existing Convertible Debentures

SASKATOON, SK, Dec. 2, 2024 /CNW/ - **Royal Helium Ltd.** (TSXV: RHC) (OTCQB: RHCCF) ("**Royal**" or the "**Company**") is pleased to announce that it intends to complete a non-brokered private placement offering (the "**Offering**") of up to 13,520 convertible debenture units of the Company (the "**Debenture Units**") at a price of \$1,000 per Debenture Unit (the "**Issue Price**"). Up to 4,500 of the Debenture Units will be issued to new investors for aggregate gross proceeds to Royal of up to \$4,500,000; additionally up to 9,020 Debenture Units will be issued to Existing Debentureholders (defined below) of the Company in exchange for the forfeiture of their Existing Debentures (defined below).

Each Debenture Unit will consist of (i) 1,000 20% senior unsecured convertible debentures having a face value of \$1.00, convertible into common shares of the Company (each a "**Common Share**") at a conversion price of \$0.05 per Common Share (the "**Conversion Price**"), with a maturity date (the "**Maturity Date**") three years from the Closing Date (as defined below) (the "**Convertible Debentures**"); and (ii) 20,000 common share purchase warrants (the "**Warrants**"). Each Warrant entitles the holder thereof to purchase one Common Share at \$0.05 per share for a period of three years following the Closing Date.

The principal amount of each Convertible Debenture will be convertible at the holder's option into Common Shares prior to the earlier of: (i) the close of business on the Maturity Date; and (ii) the date fixed for redemption of the Convertible Debentures at a conversion price of \$0.05 per Common Share (the "**Conversion Price**").

Interest on the Convertible Debentures will accrue commencing on the Closing Date at a rate of 20% per annum and shall be payable semi-annually in arrears. At the Company's option, provided no event of default has occurred and is continuing and provided all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Common Shares are listed), the initial two (2) semi-annual interest payments, being the interest payable for the period ending on or before December 31, 2025, may be paid in cash or paid-in-kind through the issuance of Debenture Units.

In connection with the Proposed Offering, each holder of an existing Company debenture (the "**Existing Debentureholders**", being the 14% convertible debentures due December 31, 2025 and the 12% convertible debentures due June 30, 2025, and collectively referred to herein as the "**Existing Debentures**") will have the option to forfeit their Existing Debentures in exchange for the issuance of the number of Debenture Units equal to the then-outstanding principal amount of such Existing Debentureholder's forfeited Existing Debentures (the "**Optional Exchange**").

The closing of the Offering is conditional on fifty percent (50%) of the Existing Debentureholders

exchanging their Existing Debentures for Debenture Units pursuant to the Optional Exchange.

The conversion of the Existing Debentures under the Optional Exchange will be subject to the approval of the Existing Debentureholders by extraordinary resolution, which requires the Company to receive consent from Existing Debentureholders representing, in aggregate, a minimum of 66⅔% of the outstanding principal amount of each of the 12% convertible debentures and the 14% convertible debentures, respectively (the "**Extraordinary Resolution**").

A notice outlining the terms of the Optional Conversion has been delivered to all Existing Debentureholders (the "**Notice**"). Existing Debentureholders will have the option to: (i) consent to the Extraordinary Resolution and forfeit their Existing Debentures in exchange for Debenture Units pursuant to the Optional Exchange in accordance with the instructions provided in the Notice; (ii) consent to the Extraordinary Resolution and not forfeit their Existing Debentures in exchange for Debenture Units pursuant to the Optional Exchange; or (iii) not consent to the Extraordinary Resolution and not forfeit their Existing Debentures in exchange for Debenture Units pursuant to the Optional Exchange. Any Existing Debentures not tendered will remain outstanding after the closing of the Offering.

The closing of the Offering is expected to occur on or about December 11, 2024 (the "**Closing Date**") and, in addition to the aforementioned approvals and conditions, is subject to the approval of the TSXV and other necessary regulatory approvals.

The net proceeds of the Offering are expected to be used by the Company to fund capital expenditures related to the re-commissioning of the Steeveville production facilities, and for general corporate and working capital purposes.

All amounts in this press release are expressed in Canadian dollars.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Royal Helium Ltd.

Royal is an exploration, production and infrastructure company with a primary focus on the development of helium and associated gases. The Company's extensive footprint includes prospective helium permits and leases across Southern Saskatchewan and southeastern Alberta. Given the current and foreseeable global undersupplied nature of this critical and non-renewable product, Royal is well positioned to be a leading North American producer of this increasingly high-value commodity

Royal's helium reservoirs are carried primarily with nitrogen. Nitrogen is not considered a greenhouse gas (GHG) and therefore has a low GHG footprint when compared to other jurisdictions that rely on large scale natural gas production for helium extraction. Helium extracted from wells in Saskatchewan and Alberta can be up to 90% less carbon intensive than helium extraction processes in other jurisdictions. For more information, please visit SEDAR+ (www.sedarplus.ca) and the Company's website (<https://royalheliumltd.com>).

Legal Advisors

Wildeboer Dellelce LLP is the legal advisor to Royal Helium Ltd.

Forward-Looking Information

This news release may contain "forward-looking statements" within the meaning of applicable Canadian securities laws, including, without limitation: our statements related to the use of proceeds of the Offering. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties, and contingencies. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause future results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Royal's statements expressed or implied by these forward-looking statements are subject to a number of risks, uncertainties, and conditions, many of which are outside of Royal's control, and undue reliance should not be placed on such statements. Forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding the Offering, including: that Royal's assumptions in making forward-looking statements may prove to be incorrect; adverse market conditions; the Extraordinary Resolution may not be passed; the pre-conditions to, and other approvals necessary for, completion of the Offering may not occur; that future results may vary from historical results; and competition in the markets where Royal operates. Except as required by securities law, Royal does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

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