FIRST HELIUM INC.
Management Discussion and Analysis ("MDA")
Fiscal Q4 March 31, 2025

The following Management Discussion and Analysis ("MD&A") is management's assessment of the financial and operating results of First Helium Inc. ("**First Helium**" or the "Company") for the year ended March 31, 2025. This MD&A is dated July 29, 2025 and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended March 31, 2025 ("fiscal 2025 financial statements").

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except as otherwise noted, all dollar figures included herein and in this MD&A are quoted in Canadian dollars. This MD&A was prepared by management and the Board of Directors of First Helium approved this MD&A on July 29, 2025. This MD&A contains non-GAAP measures, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "Non-GAAP Measures", "Abbreviations and BOE Advisory" and "Forward Looking Statements" sections at the end of this MD&A for further information.

In the following discussion, the three months ended March 31, 2025 may be referred to as "fourth quarter of fiscal 2025", "Q4 fiscal 2025", "current quarter", and "the quarter". The comparative three months ended March 31, 2024 may be referred to as "fourth quarter of fiscal 2024", "Q4 fiscal 2024".

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with helium and gas exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the common share, price and volume and other reports and filings with the applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time via the Company's website along with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements. Additional risk factors can be found in the prospectus filed on June 28, 2021 (www.sedarplus.com). This MD&A has been prepared in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*.

HIGHLIGHTS

First Helium completed the two-well program at the end of March 2025. The Company plans to bring the wells onto production in the fall of 2025 capital as we enter into a joint venture agreement or additional funds availability. In October 2024, First Helium issued 60,666,671 units ("Units") at a price of $0.06 per Unit for gross proceeds of $3,640,000. Each Unit consists of one common share (a **"Share**") in the capital of First Helium and one common share purchase warrant (a **"Warrant**"). Each Warrant is exercisable to acquire one Share at a price of $0.09 per Share for a period of 36 months, expiring October 30, 2027. The Warrants are subject to an acceleration clause. The Company intends to use the net proceeds from the Offering to fund additional asset development and operating expenses on its Worsley project.

FUNDS FLOW AND NET LOSS

Funds flow used in operations was $0.3 million in the three months ended March 31, 2025 compared to funds flow used in operations of $0.3 million in the three months ended March 31, 2024.

While net loss was $4.7 million in the three months ended March 31, 2025 compared to $0.9 million net loss in the three months ended March 31, 2024, the funds flows used in operations of $0.3 million was consistent with the two fiscal quarters. The net loss of $4.7 million in the three months ended March 31, 2025 include $2.9 million of impairment related to Leduc oil assets and $1.3 million was exploration assets moved to exploration expense related to the Southern area project.

Funds flow used in operations was $1.8 million in the year ended March 31, 2025 compared to $1.6 million in the year ended March 31, 2024, mainly due to lower revenue, augmented by lower royalties and operating expenses. Since the inception of its initial two wells in calendar year 2022, the Company has generated over $13.4 million of oil revenue to fund exploration opportunities.

The Company incurred a net loss of $6.7 million for the year ended March 31, 2025 compared to net loss of $3.2 million in the year ended March 31, 2024, due to the factors described above. Net loss for the year ended March 31, 2025 included non-cash expenditures of $4.9 million which included exploration expense of $1.3 million in the Southern area project and impairment of $2.9 million.

FUNDS FLOW AND NET LOSS	**Three months ended March 31**		**Year ended March 31**	
($ except as otherwise noted)	**2025**	2024	**2025**	2024
Revenue	**-**	200,864	**292,999**	1,130,809
Royalty expense	**-**	(24,129)	**(28,654)**	(186,961)
Operating expense	**(17,185)**	(116,552)	**(384,066)**	(505,094)
Transportation expense	**-**	(29,698)	**(25,214)**	(144,680)
Operating netback	**(17,185)**	30,485	**(144,935)**	294,074
General and administrative	**(278,947)**	(373,776)	**(1,672,695)**	(1,941,419)
Interest income (expense)	**4,294**	4,874	**16,519**	294
Funds flow (used in) operations	**(291,838)**	(338,417)	**(1,801,111)**	(1,647,051)
Share-based compensation	**(141,490)**	(37,018)	**(335,359)**	(184,397)
Exploration impairment expense	**(1,313,152)**	(199,520)	**(1,313,152)**	(199,520)
Depletion and amortization	**-**	(292,736)	**(311,296)**	(1,124,944)
Impairment	**(2,939,928)**	-	**(2,939,928)**	-
Accretion expense	**(6,769)**	(8,152)	**(44,909)**	(39,643)
Net loss	**(4,693,177)**	(875,843)	**(6,745,755)**	(3,195,555)

(1) Funds flow (used in) from operations is a non-GAAP measure and is the result of cash flow from operating activities excluding asset retirement costs, transaction costs, and changes in non-cash working capital.

REVENUE and ROYALTIES

Oil volumes was nil in the fiscal fourth quarter March 31, 2025 due to the wells being shut-in beginning in October. Comparative periods for year ended March 31, 2025 was 8 boe/d compared to 32 boe/d for the year ended March 31, 2024. Production is expected to remain shut-in until further capital development in the Worsley field.

Revenue and royalties expense are reflective of the same factor above for the current quarter March 31, 2025. For the year ended March 31, 2025, revenue was $0.3 million compared to $1.1 million for the year ended March 31, 2024. Volume decrease is the largest contributor to the change in revenues.

For the twelve months ended March 31, 2025, royalty expense was $0.1 million, compared to $0.2 million for the twelve months ended March 31, 2024. The decrease is consistent with the decrease in revenues of 74% and lower royalty rate due to lower production levels

ROYALTIES	**Three months ended March 31,**		**Year ended March 31,**	
$ except otherwise noted	**2025**	2024	**2025**	2024
Royalties	**-**	24,129	**28,654**	186,961
Royalties % of revenue	**-**	12.01%	**9.78%**	16.53%

OPERATING & TRANSPORTATION EXPENSES

Costs incurred to move saleable product to the custody transfer point are considered transportation expenses and are typically driven by a throughput rate. Operating expense in the year ended March 31, 2025 was $0.3 million, consistent with the year ended March 31, 2024 of $0.5 million. The decrease of 24% does not correlate with the decrease in revenues due to the fixed nature of majority of the expenditures.

Transportation for the year ended March 31, 2025 was 37% lower than the year ended March 31, 2024 of $0.1 million, corresponding to the decrease in production between the two fiscal years. Transportation expense for the three months ended March 31, 2025 was reflective of the production levels.

	Three months ended March 31		Year ended March 31	
$ except otherwise noted	**2025**	2024	**2025**	2024
Operating expense	**17,185**	116,552	**384,066**	505,094
Transportation	**-**	29,698	**25,214**	144,680
Operating & transportation	**17,185**	146,250	**409,280**	649,774
Operating expense ($/boe)	**-**	53.57	**123.61**	43.36
Transportation ($/boe)	**-**	13.65	**8.12**	12.42
Operating & transportation ($/boe)	**-**	67.22	**131.73**	55.77

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A EXPENSE")

	Three months ended March 31		Year ended March 31	
$ except otherwise noted	**2025**	2024	**2025**	2024
Personnel	**154,706**	264,008	**908,290**	1,283,295
Investor relations and marketing	**20,823**	73,013	**494,386**	504,093
Professional fees	**38,152**	31,796	**97,792**	181,633
Software and office operations	**22,866**	46,959	**172,227**	215,795
General and administrative-gross	**236,547**	415,776	**1,672,695**	2,184,816
Overhead recoveries	**42,400**	(42,000)	**-**	(243,397)
General and administrative expense	**278,947**	373,776	**1,672,695**	1,941,419

G&A expense for the three months ended March 31, 2025 was $0.3 million, consistent with the three months ended March 31, 2024. For the year ended March 31, 2025, G&A was $0.2 million lower than the year ended March 31, 2024. Personnel was lower by $0.2 million in the year ended March 31, 2025 as one of the officers retired effective March 2024. On a go forward basis in fiscal 2025, G&A expense is expected to be reflective of the current quarter.

SHARE-BASED COMPENSATION

	Three months ended March 31		Year ended March 31	
$ except otherwise noted	**2025**	2024	**2025**	2024
Share-based compensation	**141,490**	37,018	**335,359**	184,397

The Company estimates the fair value of incentive awards based on a Black-Scholes model for the determination of non-cash related share-based compensation and the expense is recorded over the expected life of the option based on vesting. The share-based compensation expense in the year ended March 31, 2025 reflects the options issued in January 2025.

DEPLETION

Depletion expense was $0.3 million for the year ended March 31, 2025, $0.8 million lower than the year ended March 31, 2024 of $1.1 million, reflective of the production change. Depletion was based on property, plant and equipment and estimated future development costs of $nil million associated with proved and probable reserves in the Worsley area ($2.7 million at March 31, 2024).

An impairment test was conducted at March 31, 2025 on its Worsley Oil cash-generating unit ("CGU"). Recoverable value was estimated based on value in use from proved and probable oil reserves. It was determined that the estimated recoverable value was nil as an external reserve report was not obtained for March 31, 2025. An impairment of $2.9 million has been recorded in the Worsley Ieduc oil assets in property, plant and equipment as the value-in-use is deemed to be nil. The balance remaining is reflective of the recognized associated asset retirement cost. Should the asset be developed at a later date, the impairment could be reversed.

E&E assets of $14.2 million consist of the Company's undeveloped land and exploration projects that have yet to be established as technically feasible and commercially viable. For the year ended March 31, 2025, Worsley Helium and new project in Worsley Oil are in exploration phase and the Company has determined that there were no indicators of impairment.

SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2025, the number of common shares issued and outstanding was 213,899,024 (March 31, 2024 – 87,059,353). As the date of this MD&A, the number of common shares outstanding was 213,899,024 and the number of warrants outstanding was 127,540,651.

The following are options and warrants outstanding as at March 31, 2025:

Options by grant date and expiry	Options outstanding	Options exercisable	Weighted average remaining (year)		Exercise Price per Option
2021-May-27 expiry 2026-May-27	4,750,000	4,750,000	1.2	$	0.35
2025-Jan-21 expiry 2030-Jan-21	8,000,000	8,000,000	4.8	$	0.09
	12,750,000	12,750,000	3.5	$	0.19

Warrants by expiry date	Number of Warrants	Weighted average remaining (year)		Exercise Price per Warrant
2027-APR-04	66,677,980	2.0	$	0.075
2027-OCT-30	60,862,671	2.6	$	0.090
	127,540,651	**2.3**	**$**	**0.082**

On April 4, 2024, the Company closed the non-brokered private placement of 66,173,000 units at a price of $0.05 per unit for gross proceeds of $3,308,650. Each unit consists of one common share and one common share purchase warrant ("Warrant"). The 66,173,000 Warrant issued are exercisable at a price of $0.075 per common shares and will expire April 4, 2027. The Warrants are not subject to acceleration. The proceeds will be used to fund asset development and general working capital. A total of 504,980 warrants were issued as share compensation for finders fees. Of the total subscriptions, $1,985,000 was received from certain related parties. Of the subscription of $3,308,650, cash of $2,417,800 was received prior to March 31, 2024 with remaining $890,850 received on closing April 4, 2024.

On October 30, 2024, the Company closed a non-brokered private of 60,666,671 units at a price of $0.06 per unit for total gross proceeds to $3,640,000. Each unit consists of one common share and one common share purchase warrant. The Each warrant is exercisable to acquire one share at the price of $0.09 per share for a period of 36 months, expiring October 30, 2027. The warrants are subject to acceleration. All securities issued pursuant to the private placement will be subject to a four-month hold period in accordance with applicable Canadian securities laws. A total of 196,000 warrants were issued as share compensation for finders fees. The proceeds will be used for the development and exploration activities and for working capital and general corporate purposes.

On January 21, 2025, the Company granted 8,000,000 incentive stock options to certain officers, directors, and consultants of the Company with exercise price of $0.09 per option with expiry in January 21, 2030.

CAPITAL EXPENDITURES

Capital expenditures for the three months ended March 31, 2025 was $4.0 million. The Company completed the drilling of the 2-well program at the end of March 31, 2025.

	Three months ended March 31		Year ended March 31	
	2025	2024	**2025**	2024
Land and lease	**-**	3,373	**39,750**	15,774
Drilling and completion	**3,992,732**	39,544	**4,052,794**	74,178
Exploration	**-**	-	**3,290**	190,294
Facilities	**-**	114,165	**9,312**	219,505
Total capital expenditures	**3,992,732**	157,082	**4,105,146**	499,751

TAXES

Under IFRS, deferred income tax assets may only be recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilized. As at March 31, 2025 and March 31, 2024, the Company has not recognized a deferred income tax asset. The Company has tax pools of $35.6 million. Non-capital losses of $26.4 million has expiries from 2037 to 2045.

WORKING CAPITAL

Working capital surplus (deficit) is used to assess efficiency, liquidity, and general financial strength. Working capital is calculated as current assets less current liabilities, excluding financial instruments marked to market and the current portion of financial lease and asset retirement obligations.

As at:	**March 31, 2025**	March 31, 2024
Cash	**834,199**	**157,787**
Accounts receivable	**220,989**	**119,601**
Prepaids and deposits	**245,513**	**307,292**
Accounts payable and accrued liabilities	**(3,824,947)**	**(1,284,716)**
Working capital (deficit)	**(2,524,246)**	**(700,036)**

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of $2.5 million at March 31, 2025 (March 31, 2024 - $0.7 million). The Company is working to raise additional equity or debt to bring the two wells onto production in the fall of 2025. Future liquidity will be dependent on the ability to access equity or debt markets to drive future expansion from its portfolio of exploration lands and funds generation from development wells. First Helium is in need of farm-in or joint venture opportunities to accelerate development of its prospective drilling inventory.

CONTRACTUAL OBLIGATIONS

First Helium has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Company's financial statements. These obligations are of a recurring, consistent nature and impact the Company's cash flows in an ongoing manner.

RELATED PARTY TRANSACTIONS

Key management consists of the Company's directors and officers. The Company also provides compensation through participation in the stock option plan.

	Three months ended March 31		**Year ended March 31**	
	2025	2024	**2025**	2024
Accounting and compliance [(i)]	**34,500**	34,500	**138,000**	138,000
Management fees [(ii)]	**97,500**	185,000	**547,500**	792,500
Share-based compensation	**84,894**	49,579	**278,763**	176,326
Total	**216,894**	269,079	**964,263**	1,106,826

(i) Accounting and compliance fees were paid to a company controlled by a spouse of an officer of the Company in the amount of $0.1 million for the year ended March 31, 2025 (year ended March 31, 2024 - $0.1 million).

(ii) For the year ended March 31, 2025, the Company incurred $0.5 million (year ended March 31, 2024 - $0.8 million) to various officers and directors of the Company.

The balance payable to related parties as at March 31, 2025 was $0.3 million (as at March 31, 2024 - $0.4 million).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES IMPACTING FIRST HELIUM

First Helium operates in jurisdictions that have regulated or have proposed to regulate carbon dioxide and other emissions. While some regulations are in effect, others are at various stages of review, discussion, and implementation. There is uncertainty around how any future legislation will harmonize with provincial regulation, as well as the timing and effects of regulations. Climate change regulation at both the federal and provincial level has the potential to significantly affect the regulatory environment of the crude oil and natural gas business in Canada. Such changes could impose certain costs and risks on the industry; however, First Helium is unable to predict the impact of future legislation or amendments. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on the Company's operations and cash flows. First Helium is actively involved with an association of helium explorers and producers and will continue to monitor developments in this area.

Environmental stewardship is a core value at First Helium and abandonment and reclamation investments continue to be made in a prudent and responsible manner with oversight by its Board of Directors. Furthermore, the Company's Board has formed a Governance, ESG, and Occupational Health and Safety Committee to oversee related matters.

Safety of the Company's workforce, including contractors, is paramount. First Helium conducts periodic safety meetings for its field staff to review safety protocols and related issues. During fiscal 2025 and 2024, First Helium had zero lost time injuries and zero recordable injuries and is compliant with government guidelines pertaining to COVID-19.

RISK FACTORS AND RISK MANAGEMENT

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. A number of risk factors will apply due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early-stage exploration properties with no known resources or reserves). Refer to the Company's annual consolidated financial statements and management's discussion and analysis for the year ended March 31, 2025 for more details filed on www.sedarplus.com.

Prices and markets

The Company's operational results and financial condition, and therefore the amount of funds available for capital expenditures, are dependent on the prices received for its petroleum production. Prices for oil, natural gas, and helium are subject to large fluctuations in response to relatively minor changes in the supply of, and demand, for oil, natural gas and helium, market uncertainty and a variety of additional factors beyond the control of the Company. A material decline in prices could result in a reduction of net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil, natural gas or helium and a reduction in the volumes of First Helium's reserves. Management might also elect not to produce from certain wells at lower prices.

The ability of First Helium to market its oil, natural gas, and helium may depend upon its ability to acquire space on pipelines or rail cars that deliver oil and natural gas to commercial markets and off-take arrangements. Deliverability uncertainties related to the distance that First Helium's reserves are to pipelines, processing and storage facilities, operational problems affecting pipelines and facilities as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and helium and many other aspects of the exploration business may also affect the Company.

These factors could result in a material decrease in First Helium's expected net production revenue and a reduction in its oil, gas and helium acquisition, development and exploration activities. Any substantial and extended decline in the price of oil, natural gas, and helium would have an adverse effect on the Company's carrying value of its assets and its access to capital markets, borrowing capacity, revenues, profitability, and funds from operations.

Inflation and cost management

First Helium's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices, and additional government intervention through stimulus spending or additional regulations. First Helium's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on its financial performance and cash flows. The cost or availability of field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The energy industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on the Company's financial performance and cash flows.

Reserve estimates

The reserves and recovery information contained in First Helium's independent reserves evaluation is only an estimate. The actual production and ultimate reserves from the properties may be greater or less than the estimates prepared by the independent reserves evaluator. The reserves report was prepared using certain commodity price assumptions. If lower prices for crude oil, natural gas and NGLs are realized by First Helium and substituted for the price assumptions utilized in those reserves reports, the present value of estimated future net cash flows as well as the amount of the reserves would be reduced, and the reduction could be significant.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Although First Helium believes that it is in material compliance with current applicable environmental regulations, no assurance can be given

that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on First Helium's business, financial condition, results of operations and prospects.

Credit risk

Credit risk is the potential financial loss to the Company if customers or counterparties to a financial instrument are unable to meet their contractual obligations. Management believes the risk is mitigated by entering into transactions with reputable counterparties and partners when possible. At March 31, 2025, none of the total outstanding accounts receivable pertain to receivables from petroleum purchasers (March 31, 2024 – 70%). As of March 31, 2025, none of the accounts receivable balance has been outstanding greater than 90 days (March 31, 2024 - $11,308) with all amounts estimated to be collectable.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. Areas where estimates were used for the year ended March 31, 2025, include the valuation of exploration and evaluation assets, property, plant and equipment, asset retirement costs, and the valuation of share-based payments.

SELECTED QUARTERLY INFORMATION

Quarters ($ except as otherwise noted)	**Three months ended March 31, 2025**	**Three months ended December 31, 2024**	Three months ended September 30, 2024	Three months ended June 30, 2024
Production volumes (boe/d)	**-**	**3**	18	13
Averaged realized price ($/boe)	**-**	**$ 86.31**	$ 91.03	$ 100.64
Revenue	**-**	**20,110**	154,899	117,990
Funds flow (used in) operations [1]	**(291,838)**	**(517,965)**	(544,775)	(446,533)
Cash flow (used in) operating activities	**(433,581)**	**(1,006,179)**	120,297	(571,988)
Capital expenditures, net dispositions	**(3,992,732)**	**(53,062)**	(39,750)	(23,184)
Total assets	**16,652,084**	**18,191,550**	15,734,137	15,835,025
Net working capital (deficit) [2]	**(2,524,246)**	**1,873,395**	(1,160,561)	(546,607)

[1] Funds flow from (used in) operations is a non-GAAP measure and is the result of cash flow from operating activities excluding asset retirement costs, transaction costs, and changes in non-cash working capital.
[2] Net working capital (deficit) is calculated as current assets less current liabilities, excluding the current portion of financial lease and asset retirement obligations.

Quarters ($ except as otherwise noted)	Three months ended March 31, 2024	Three months ended December 31, 2023	Three months ended September 30, 2023	Three months ended June 30, 2023
Production volumes (boe/d)	24	34	27	43
Averaged realized price ($/boe)	$ 92.32	$ 98.02	$ 106.89	$ 92.69
Revenue	200,864	303,604	265,600	360,741
Funds flow (used in) from operations [1]	(338,417)	(383,798)	(446,502)	(478,334)
Cash flow (used in) from provided by operating activities	(504,717)	(203,638)	(565,601)	(733,344)
Capital expenditures, net	(58,168)	86,379	58,175	198,115
Total assets	16,023,355	16,637,033	16,701,940	16,823,170
Net working capital (deficit) [2]	(700,036)	(679,430)	(228,750)	(345,479)

[1] Funds flow from (used in) operations is a non-GAAP measure and is the result of cash flow from operating activities excluding asset retirement costs, transaction costs, and changes in non-cash working capital.
[2] Net working capital (deficit) is calculated as current assets less current liabilities, excluding the current portion of financial lease and asset retirement obligations.

Additional information relating to the Company is available in the prospectus dated June 28, 2021 on www.sedarplus.com.

NON-GAAP Measures

In this MD&A, we refer to financial measures that do not have any standardized meaning as prescribed by Generally Accepted Accounting Principles ("GAAP"). These non-GAAP financial measures are line items, headings, or subtotals in addition to those required under GAAP, and financial measures disclosed in the notes to the most recent financial

statements which are relevant to an understanding of the financial statements and are not presented elsewhere in the financial statements. These measures have been described and presented to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. Users are cautioned that non-GAAP financial measures presented by the Company may not be comparable with measures provided by other entities. Below are the non-GAAP measures that First Helium uses in these MD&A.

“Funds flow” or “Funds flow from operations” is calculated by taking “cash flow provided by operating activities” from the financial statements and removing changes in non-cash working capital, transaction costs, and abandonment expenditures. Because funds flow is not impacted by fluctuations in non-cash working capital balances, we believe these measures are more indicative of performance than cash from operating activities. In addition, First Helium excludes transaction costs from the calculation of funds flow as these expenses are generally in respect of capital acquisition transactions. The Company considers funds flow as a key performance measure as it demonstrates the Company’s ability to generate funds necessary to settle liabilities and to fund future growth through capital investment. The determination of funds flow by First Helium may not be comparable to that reported by other companies. The reconciliation between cash flow provided by operating activities on the financial statements, and funds flow can be found in the table above. First Helium may present funds flow per share where per share amounts are calculated using the weighted average shares outstanding consistent with the calculation of net income (loss) per share, which per share amount is calculated under IFRS.

This MD&A uses the term “operating netback(s)”. The Company uses operating netbacks to help evaluate its performance, leverage, liquidity, and comparisons with peers as well as to assess potential acquisitions and divestitures. Management considers netbacks as a key performance measure as it demonstrates the Company’s profitability relative to current commodity prices. They are also used by management in operational and capital allocation decisions. Operating netback is calculated as the average sales price of the Company’s commodities (excluding financial derivative gains and losses) less royalties, transportation costs and operating expenses. Funds flow from operations starts with the operating netback and deducts general and administrative, interest expense, and then adds or deducts any realized gains or losses on financial derivative contracts. There is no GAAP measure that is reasonably comparable to netbacks.

ABBREVIATIONS AND BOE ADVISORY

bbl	Barrel	mmbtu	Million British thermal units
bbls	Barrels	NGLs	Natural gas liquids
bbl/d	Barrels per day	mcf	Thousand cubic feet
boe	Barrels of oil equivalent	mcf/d	Thousand cubic feet per day
boe/d	Barrels of oil equivalent per day	mboe	Thousand boe
GJ	Gigajoules	WCS	Western Canada Select
mbbls	Thousand barrels	WTI	West Texas Intermediate

Where amounts are expressed as a barrel of oil equivalent (“boe”), or barrel of oil equivalent per day (“boe/d”), natural gas volumes have been converted to barrels of oil equivalent at six (6) thousand cubic feet (“mcf”) to one (1) barrel. Use of the term “boe” may be misleading particularly if used in isolation. The boe conversion ratio of 6 mcf to 1 barrel (“bbl”) of oil or natural gas liquids is based on an energy equivalency conversion methodology primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms to the Canadian Securities Regulators’ National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with helium and gas exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the common share, price and volume and other reports and filings with the applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are

made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time via the Company's website along with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements. This MD&A has been prepared in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*.

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