



Condensed Interim Consolidated Financial Statements of

## **Total Helium Ltd.**

For the six months ended September 30, 2024 and 2023  
(In thousands of Canadian Dollars)  
(Unaudited)

### **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim consolidated financial statements of Total Helium Ltd. have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements.

## Total Helium Ltd.

### Condensed Interim Consolidated Statements of Financial Position

(In thousands of Canadian Dollars)

	Note	September 30, 2024	March 31, 2024
		\$	\$
<b>Current Assets</b>			
Cash		70	85
Amounts receivable		59	64
Prepaid expenses		4	19
		133	168
<b>Long-term Assets</b>			
Exploration and evaluation assets	4	15,152	15,206
Property, plant and equipment	5	1,154	1,191
		16,439	16,565
<b>Current Liabilities</b>			
Amounts payable and accrued liabilities		1,147	988
Decommissioning liability	8	101	102
Loan payable	7	475	475
		1,723	1,565
<b>Long-term Liabilities</b>			
Decommissioning liability	8	114	110
Line of credit	6	541	544
		655	654
		2,378	2,219
<b>Shareholders' Equity</b>			
Share capital	9	36,868	36,868
Equity reserve	9	8,890	8,890
Accumulated other comprehensive gain		463	509
Deficit		(32,160)	(31,921)
		14,061	14,346
		16,439	16,565

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved on behalf of the Board of Directors:

/s/ Gordon Keep

Director

/s/ Ian Telfer

Director

*The accompanying notes are an integral part of these consolidated financial statements.*

## Total Helium Ltd.

### Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

(In thousands of Canadian Dollars, except for per share amounts)

	Note	Three months ended September 30,		Six months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue	11	42	72	95	143
Expenses					
Exploration expenses		4	4	4	71
Depletion	8	18	-	36	-
General and administration	10	92	762	154	1,774
Share-based compensation		-	865	-	871
		(115)	(1,631)	(195)	(2,716)
Other items					
Impairment of exploration and evaluation assets		-	-	(89)	-
Foreign exchange (loss) gain		-	-	-	2
Interest income		-	2	1	25
Accretion		(2)	-	(5)	-
Interest expense	6, 7	(23)	-	(46)	-
Other income		-	39	-	60
		(25)	41	(139)	87
Net loss		(98)	(1,518)	(239)	(2,486)
Other comprehensive income					
Foreign exchange translation		(116)	4	(46)	4
Total comprehensive loss		(214)	(1,514)	(285)	(2,482)
Basic and diluted loss per share		(0.00)	(0.02)	(0.00)	(0.03)
Weighted average number of common shares outstanding - basic and diluted		102,393,542	65,758,406	102,393,542	96,354,783

*The accompanying notes are an integral part of these consolidated financial statements.*

## Total Helium Ltd.

### Condensed Interim Consolidated Statements of Shareholders' Equity

(In thousands of Canadian Dollars, except for per share amounts)

	Number of Shares	Share Capital	Equity reserve	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$	\$
Balance, March 31, 2023	65,758,406	20,300	7,170	475	(25,016)	2,929
Shares issued for interest in Pinta South Project	10,810,812	5,405	-	-	-	5,405
Brokered private placement - special warrants	25,000,000	12,500	-	-	-	12,500
Shares issued for finders and success fees	824,324	412	-	-	-	412
Share issue costs	-	(1,749)	320	-	-	(1,429)
Share-based compensation	-	-	871	-	-	871
Other comprehensive loss	-	-	-	4	-	4
Net loss	-	-	-	-	(2,486)	(2,486)
<b>Balance, September 30, 2023</b>	<b>102,393,542</b>	<b>36,868</b>	<b>8,361</b>	<b>479</b>	<b>(27,502)</b>	<b>18,206</b>
Balance, March 31, 2024	102,393,542	36,868	8,890	509	(31,921)	14,346
Other comprehensive income	-	-	-	(46)	-	(46)
Net loss	-	-	-	-	(239)	(239)
<b>Balance, September 30, 2024</b>	<b>102,393,542</b>	<b>36,868</b>	<b>8,890</b>	<b>463</b>	<b>(32,160)</b>	<b>14,061</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

## Total Helium Ltd.

### Condensed Interim Consolidated Statements of Cash Flows

(In thousands of Canadian Dollars)

		Six months ended September 30,	
	Note	2024	2023
		\$	\$
<b>Operating activities</b>			
Net loss		(239)	(2,486)
Items not involving cash:			
Depletion	8	37	-
Accretion		3	-
Interest expense - accrued		19	-
Impairment of exploration and evaluation assets	5	54	-
Share-based compensation		-	871
Changes in non-cash working capital items:			
Amounts receivable		5	25
Prepaid expenses		15	(35)
Amounts payable and accrued liabilities		91	(30)
		(15)	(1,655)
<b>Investing activities</b>			
Exploration and evaluation assets	5	-	(12,789)
		-	(12,789)
<b>Financing activities</b>			
Proceeds of special warrants issued, net of share issue costs	9	-	11,483
Advances from line of credit		-	406
		-	11,889
Effect of foreign exchange on cash		-	4
Change in cash		(15)	(2,551)
Cash, beginning		85	2,684
Cash, ending		70	133
<b>Supplemental cash flow information:</b>			
Exploration and evaluation assets accrued through amounts payable and accrued liabilities		749	383
Shares issued for finders and success fees		-	412
Shares issued for property acquisition		-	5,405

*The accompanying notes are an integral part of these consolidated financial statements.*

# Total Helium Ltd.

## Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Total Helium Ltd. (the “Company”), was incorporated on April 27, 2006 under the Business Corporations Act of British Columbia and its shares were listed on the TSX Venture Exchange (“TSX-V”) on March 6, 2008. The Company is currently listed on the TSX-V under the trading symbol “TOH”. The head office of the Company is located at Suite 3123, 595 Burrard Street, Vancouver, BC, Canada V7X 1J1. The registered and records office of the Company is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, BC, Canada, V6C 3E8. As at the date of this report, the Company’s principal business activity is helium exploration, production and storage solutions.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2024, the Company had a working capital deficit of \$1,590 (March 31, 2024: working capital deficit of \$1,397) and a deficit of \$32,160 (March 31, 2024: \$31,921).

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

These financial statements were approved and authorized for issuance by the Board of Directors on November 25, 2024.

### 2. BASIS OF PRESENTATION

#### *Statement of Compliance*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2024.

#### *Basis of Measurement*

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

## 2. BASIS OF PRESENTATION (Continued)

### *Basis of Consolidation*

These financial statements are presented in thousands of Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

These financial statements include the accounts of the Company and its subsidiaries:

<b>Name of Subsidiary</b>	<b>Ownership</b>	<b>Jurisdiction</b>
Interior Gold Corp.	100%	Ontario, Canada (inactive)
1313119 B.C. Ltd.	100%	BC, Canada
1319454 B.C. Ltd.	100%	BC, Canada
Brooks Range Corporation	100%	Colorado, USA

Subsidiaries are entities over which the Company has control. Control is defined as where the Company is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date that control is obtained up to the effective date of disposal or loss of control. All significant intercompany balances, transactions, revenues and expenses have been eliminated upon consolidation.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant judgments and estimates made by management affecting the Company's financial statements include:

### Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected. The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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#### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

##### Share-based compensation

Compensation costs accrued for under the Company's Stock Option Plan are subject to the estimation of what the ultimate payout will be using the Black-Scholes pricing model which is based on significant assumptions such as the future volatility of the market price of the Company's shares and fair value assumption at date of grant.

##### Technical feasibility and commercial viability of exploration and evaluation assets

The determination of technical feasibility and commercial viability is generally based on the presence of proved and probable reserves and other factors, results in the transfer of assets from exploration and evaluation assets to helium assets. The estimate of proved and probable reserves is inherently complex and requires significant judgment. Thus, any material change to reserve estimates could affect the technical feasibility and commercial viability of the underlying assets.

##### Impairment indicators

At the end of each reporting period, the Company reviews the exploration prospects for external or internal circumstances that indicate the exploration prospects may be impaired. This assessment includes many changing factors, including reserves, project economics, expected capital expenditures and production costs, access to infrastructure, obtaining and the timing of receiving required regulatory approvals, and potential infrastructure construction and expansions. Furthermore, the transfer of E&E assets to PP&E is based on Management's judgement of technical feasibility and commercial viability.

##### Decommissioning liabilities

The provision for site restoration and abandonment for the Company's PP&E and E&E assets is based on estimated inflation and discount rates, current legal and regulatory requirements, technology, cost of services, and expected plans for remediation expenditures. Actual costs and timing of cash outflows can differ from estimates because of changes in laws and regulations, public expectations, and market conditions, all of which could be influenced by the rate at which global energy markets transition to a lower carbon-based economy. Additionally, further discovery, analysis of site conditions, and changes in technology could also cause estimates to differ from actual costs.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

#### 4. EXPLORATION AND EVALUATION ASSETS

E&E assets consist of the Company's projects that have yet to be established as technically feasible and commercially viable.

The following tables summarize the capitalized costs associated with the Company's E&E assets:

	Pinta South Project	Total
	\$	\$
<b>Acquisition Costs</b>		
Balance, March 31, 2023	-	-
Additions	15,206	15,206
Balance, March 31, 2024	15,206	15,206
Change in FX rates	36	36
Balance, September 30, 2024	15,242	15,242
<b>Exploration Costs</b>		
Balance, March 31, 2023	-	-
Additions	3,319	3,319
Impairment	(3,319)	(3,319)
Balance, March 31, 2024	-	-
Additions	-	-
Impairment	(90)	(90)
Balance, September 30, 2024	(90)	(90)
<b>Carrying Value</b>		
Balance, March 31, 2023	-	-
Balance, March 31, 2024	15,206	15,206
Balance, September 30, 2024	15,152	15,152

#### **Pinta South Project**

On May 1, 2023, the Company completed the acquisition of a 50% interest in the Pinta South Helium Project in Arizona. The Company has acquired an interest in existing helium production as well as a working interest in a large-scale helium exploration and production program in the Holbrook Basin (the "Pinta South Project"). The purchase and sale agreement was entered into between Brooks Range Corporation, a wholly-owned subsidiary of the Company, Pinta South Operating Company, LLC, Butler Minerals, LLC and Mid America Exploration LLC.

Pursuant to the terms of the transaction, the Company acquired a 20% interest in 2 producing wells and a 50% interest in eight additional existing wells for a total purchase price of US\$12,000 (\$16,469) (the "Acquisition Cost"). Under the terms of the purchase and sale agreement, and subsequent amendments, the purchase price was satisfied through a one-time cash payment of US\$8,000 and the issuance of 10,810,812 common shares of the Company at a deemed price of \$0.50. In connection with completion of the transaction, the Company has arranged to contribute funding in the amount of US\$2,000 towards a capital development program for the Pinta South Project.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

#### 4. EXPLORATION AND EVALUATION ASSETS (Continued)

As of March 31, 2024, and September 30, 2024, the Company has contributed funding of US\$1,979 towards the capital development program for the Pinta South Project.

On September 22, 2023, one of the 25% working interest owners and project operator in the Pinta South Project has agreed to “carry” the Company in the drilling of the next five wells in the Pinta South Project area. The carry excludes completion work and the construction of pipeline to transport gas from a successful well to a processing plant.

Other than as amended by this special concession to drill the five carry wells, all other terms of the joint operating agreement will remain the same.

During the year ended March 31, 2024, the Company impaired the Pinta South Project in the amount of \$3,319.

During the six months ended September 30, 2024, the Company impaired the Pinta South Project in the amount of \$90.

#### 5. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the capitalized costs associated with the Company’s PP&E assets:

	Helium Producing Assets	Total
	\$	\$
<b>Cost</b>		
Balance, March 31, 2023	-	-
Additions	1,263	1,263
Balance, March 31, 2024 and September 30, 2024	1,263	1,263
<b>Depletion</b>		
Balance, March 31, 2023	-	-
Additions	72	72
Balance, March 31, 2024	72	72
Additions	37	37
Balance, September 30, 2024	109	109
<b>Carrying Value</b>		
Balance, March 31, 2023	-	-
Balance, March 31, 2024	1,191	1,191
Balance, September 30, 2024	1,154	1,154

As at March 31, 2024 and September 30, 2024, the Company allocated \$1,263 of the Acquisition Cost to PP&E based on the net present value of future cash flows from two producing helium wells.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

#### For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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#### 6. LINE OF CREDIT

On September 21, 2023, the Company entered into a business loan agreement for a maximum amount of US\$500. The line of credit bears interest at US prime plus 1%, and matures on September 21, 2025.

As at September 30, 2024, the Company had drawn \$541 (US\$401) on this line of credit (March 31, 2024 \$548).

The line of credit is guaranteed by a shareholder of the Company and secured by the assets of the Company. The Company is required to maintain standard affirmative covenants associated with the line of credit. As at September 30, 2024, the Company is in compliance with the loan covenants.

As at September 30, 2024, the lender has paused any further advances from the line of credit.

#### 7. LOAN PAYABLE

On December 5, 2023, a spouse of a director advanced \$475 to the Company. The loan is unsecured, bears interest at 8% per annum, with no specific repayment terms. As at September 30, 2024, the Company has accrued interest of \$31 (March 31, 2024: \$13).

#### 8. DECOMMISSIONING LIABILITY

The Company has obligations to abandon and remediate the impact from drilling and production activities on certain of its wells. The Company calculated the present value of these decommissioning liability using a credit adjusted risk-free rate of 10%, as at September 30, 2024 (September 30, 2024 – 10%). The Company's credit spread is determined using the Company's implied cost of borrowing at the end of the reporting period.

The Company has estimated current decommissioning expenditures due immediately based on current cost estimates, net of salvage value of \$103 (March 31, 2024 - \$103).

The Company has estimated long-term decommissioning expenditures based on current cost estimates, net of salvage value of \$113 (March 31, 2024: \$110). Long-term cost estimates are inflated to the amounts expected to be incurred at the estimated time of abandonment after five (5) years using an estimated inflation rate of 3%. (March 31, 2023 – N/A).

The Company incurred \$5 (2023: \$Nil) in accretion costs related to the long-term decommissioning liability.

#### 9. SHARE CAPITAL

##### (a) Authorized

Unlimited common and preferred shares without par value.

##### (b) Issued and outstanding common shares

No shares were issued during the six months ended September 30, 2024

Shares issued during the year ended March 31, 2024

On May 1, 2023, in connection with the Pinta South Project acquisition (Note 4), the Company completed a brokered private placement. The Company issued a total of 25,000,000 special warrants at a price of \$0.50 per special warrant for gross proceeds of \$12,500.

Each special warrant was automatically exercised into one unit. Each unit consists of one (1) common share of the Company and one (1) common share purchase warrant. Each warrant shall entitle the holder thereof to purchase one common share at an exercise price of \$0.75 at any time up to May 1, 2025.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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#### 9. SHARE CAPITAL (Continued)

In consideration for their services, the agent received a cash commission of \$750, a corporate finance fee of 500,000 common shares in the Company and 1,500,000 compensation special warrants. Each compensation special warrant was automatically exercised into one (1) compensation option (a "Compensation Option"). Each compensation option will entitle the holder to purchase one unit at a price of \$0.50 per unit. A unit consists of one (1) common share of the Company and one (1) common share purchase warrant. Each warrant shall entitle the holder thereof to purchase one common share at an exercise price of \$0.75 at any time up to May 1, 2025.

The Company issued 324,324 common shares of the Company at a deemed price of \$0.50 per common share as a fee to a service provider controlled by a director of the Company, who assisted by providing administration services in connection with the transaction. The amount is recorded as part of general and administrative expenses in the Statement of Loss in the period.

##### (c) Share options

The Company has approved an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the TSX-V requirements, grant to directors, officers, employees, charitable organizations and technical consultants of the Company, non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options less any discount, if applicable, but in any event not less than \$0.05 per share. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee insider in any twelve-month period will not exceed 10% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one employee or consultant will not exceed 2% of the issued and outstanding common shares. Share options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board of Directors.

No share options were issued during the six months ended September 30, 2024

Share options issued during the year ended March 31, 2024

On July 26, 2023, the Company granted 4,230,000 stock options to directors, officers, and consultants of the Company pursuant to the Company's stock option plan, of which 3,980,000 are exercisable at a price of \$0.50 until July 26, 2033 and vest at specific dates over a 12-month period from the date of grant. The remaining 250,000 stock options relate to an investor relations consultant. The options are exercisable until July 26, 2028 and vest in four equal tranches on a quarterly basis over a 12-month period. Using the Black-Scholes valuation model, the grant date fair value was \$1,394, or \$0.33 per option. The following weighted average assumptions were used for the valuation of the share options: risk-free interest rate of 3.53%, expected life of 10 years, annualized volatility of 75% and dividend rate of 0.00%. During the year ended March 31, 2024, \$1,394 of share-based compensation was recognized in connection with the grant and vesting of stock options in the period. The full amount of expense was recognized related to accelerated vesting provisions (IFRS 2) due to the cancellation of stock options on October 23, 2023.

On March 31, 2024, 1,125,000 stock options with a weighted average exercise price of \$0.88 expired unexercised.

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

#### 9. SHARE CAPITAL (Continued)

A summary of changes in share options is presented below:

	Number of options	Weighted average exercise price
		\$
Balance, March 31, 2023	5,382,900	1.06
Granted	4,230,000	0.50
Expired	(1,125,000)	1.22
Cancelled	(4,230,000)	0.50
Balance, March 31, 2024	4,257,900	1.00
Cancelled	(1,887,900)	1.03
Balance, September 30, 2024	2,370,000	1.00

The following table summarizes information about the share options outstanding and exercisable at September 30, 2024:

Outstanding and exercisable	Exercise price	Expiry date
	\$	
2,370,000	1.00	November 8, 2031
2,370,000		

#### (d) Warrants

The following table summarizes information about the warrants outstanding and exercisable at September 30, 2024:

Outstanding and exercisable	Weighted average exercise price	Expiry date	Weighted average remaining contractual life (years)
	\$		
12,500,000	2.00	November 8, 2026	2.1
25,000,000	0.75	May 1, 2025	0.6
37,500,000	1.17		

A summary of changes in warrants is presented below:

	Warrants outstanding	Weighted average exercise price
		\$
Balance, March 31, 2023	12,500,000	2.00
Issued	25,000,000	0.75
Balance, March 31, 2024 and September 30, 2024	37,500,000	1.17

## Total Helium Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

#### 9. SHARE CAPITAL (Continued)

##### (e) Compensation options

1,500,000 compensation special warrants related to the May 1, 2023 brokered private placement were automatically exercised into one (1) compensation option (a "Compensation Option"). Each compensation option will entitle the holder to purchase one unit at a price of \$0.50 per unit. A unit consists of one (1) common share of the Company and one (1) common share purchase warrant. Each warrant shall entitle the holder thereof to purchase one common share at an exercise price of \$0.75 at any time up to May 1, 2025.

As at September 30, 2024 (March 31, 2024: 1,500,000) there are 1,500,000 compensation options outstanding exercisable at \$0.50.

#### 10. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The Company's transactions below include related party transactions not disclosed elsewhere in these financial statements and are in the normal course of business and all amounts due to related parties are non-interest bearing and payable on demand.

- a) Included in amounts payable and accrued liabilities at September 30, 2024 was \$150 (March 31, 2024: \$81) due to officers, directors and former officers and directors of the Company.
- b) Remuneration of directors and key management of the Company was as follows:

	Six months ended, September 30, 2024	Six months ended, September 30, 2023
	\$	\$
Consulting and management fees	60	367
Rent	6	6
Share-based compensation	-	614
	66	987

See Note 7 – Loan Payable

#### 11. REVENUE

For the six months ended September 30, 2024 and 2023, the Company's revenue resulted from helium and methane gas sales from the Pinta South Project.

## **Total Helium Ltd.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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#### **12. MANAGEMENT OF CAPITAL**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in equity and the business line of credit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or increase its debt. As a part of its loan commitments, the Company is required to obtain authorization from the lender prior to obtaining further advances on its line of credit (Note 6). As at September 30, 2024, the lender has paused any further loan advances. The Company is not subject to any other externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. During the six months ended September 30, 2024, there has been no change in the Company's management of capital policies, except for the line of credit described in Note 6 and loan payable described in Note 7. Future activities are expected to be financed through additional equity and/or debt financing or other financing methods, as deemed appropriate by management.

Refer to Note 1 for additional details of the Company's ability to continue as a going concern.

#### **13. FINANCIAL INSTRUMENTS**

##### ***Financial Risk Management***

Cash, amounts receivable (excluding sales taxes), amounts payable and accrued liabilities, loan payable and the line of credit are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and;

Level 3 – Inputs that are not based on observable market data.

##### ***Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

##### ***Credit Risk***

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and amounts receivables.

To minimize the credit risk related to cash, the Company places these instruments with a top tier banks in Canada and the United States.

## **Total Helium Ltd.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months ended September 30, 2024 and 2023

(In thousands of Canadian Dollars)

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#### **13. FINANCIAL INSTRUMENTS (Continued)**

##### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective when managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company collecting its accounts receivables in a timely manner and maintaining sufficient cash on hand through bank loan financing and issuance of shares.

The Company is exposed to liquidity risk on its loan payable, and its business line of credit agreement to the extent that its line of credit is based on US prime rates of interest. The Company is exposed to liquidity risk on its business line of credit, as it runs the risk of defaulting on its loan covenants.

##### *Currency Risk*

The Company is exposed to foreign currency risk because the Company's US subsidiary operations incur operating expenses in US dollars. Therefore, a decrease in the value of the CAD relative to the USD increases the value of expenses in USD terms incurred by the Company's US operations, which increases expenses and decreases the cash flow available to fund operations.

As at September 30, 2024, the Company had cash of \$52, accounts receivable of \$57, amounts payable and accrued liabilities of \$816, decommissioning liability of \$215, and a line of credit of \$541 which were denominated in US dollars related to its US subsidiary.

##### *Sensitivity Analysis*

The Company's borrowing under the existing line of credit are at variable rates of interest and expose the Company to interest rate risk. The Company has completed a sensitivity analysis to estimate the impact on comprehensive income which a change in interest rates at and during the six months ended September 30, 2024 would have had on the Company. The result of this sensitivity analysis indicates that a 0.5% increase (decrease) in the prime interest rates would not have a material impact.

The Company has completed a sensitivity analysis to estimate the impact on comprehensive earnings which a change in foreign exchange rates as at and during the six months ended September 30, 2024 would have had on the Company. The result of this sensitivity analysis indicates that a 10% increase (decrease) in the average value of the US dollar relative to the Canadian dollar during the period would have resulted in an increase (decrease) in net loss of approximately \$49.

#### **14. SEGMENTED INFORMATION**

As at September 30, 2024, the Company primarily operates in one reportable operating segment, being helium exploration and development in the USA.