

**Helium Evolution Incorporated (TSXV: HEVI) (OTC: HEEVF)**

# Helium 2.0: Turning Discovery Into Delivery

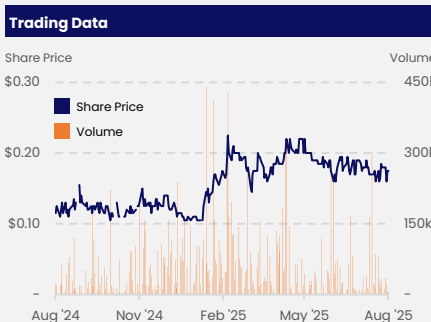
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Capitalization	Unit	
Share Price (Aug 1, 2025)		\$0.18
Basic Shares Out.	MM	123.0
<b>Basic Market Cap</b>	<b>C\$MM</b>	<b>\$21.5</b>
Options (Avg. \$0.29)	MM	9.4
Warrants (Avg. \$0.27)	MM	13.5
<b>FD Shares Outstanding</b>	<b>MM</b>	<b>146.0</b>
<b>Enterprise Value</b>	<b>C\$MM</b>	<b>\$13.7</b>

Balance Sheet	Q1 2025 Financials + Interim Financing	
Cash	C\$MM	\$7.8
Debt	C\$MM	\$0.0

Trading Performance	
52 Week High	\$0.27
52 Week Low	\$0.11
YTD Avg. Daily Volume (TSXV)	67.6k

Key Personnel	Position
Jim Baker	Chairman
Greg Robb	CEO, Director
Patrick Mills	COO
John Kanderka	VP, Corp Dev
Kristi Kunec	CFO



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## Company Overview

[Link to Corporate Presentation](#)

Helium Evolution Inc ("HEVI" or the "Company") is a Saskatchewan-focused helium exploration and development company and the largest holder of helium exploration rights amongst public helium peers. HEVI is emerging as one of the most technically advanced and strategically positioned juniors in the helium sector, underpinned by multiple discoveries, imminent revenue generation, and partnerships that materially reduce execution risk.

## Company Highlights

Through its joint venture with North American Helium ("NAH"), HEVI has drilled 17 wells, delineated a commercial helium pool at Mankota, and is commissioning its Soda Lake processing facility – expected online in Q4 2025. Despite this progress, the Company continues to trade at a modest valuation to peers who have less advanced assets and limited funding visibility. With a highly experienced management team and strong insider and institutional ownership, HEVI offers a differentiated opportunity and is now positioned to fulfill the initial promise of the sector that first attracted the interest of investors in the early 2020s.

- **De-Risked Path to 2025 Production:** HEVI is the only company in the sector with six discovery wells with confirmed presence of helium along the same geological trend and a well-funded pathway to first production (est. Q4 2025) supported by working capital.
- **Strategic Partnership with Global Leader:** Through its joint venture with North American Helium, the world's largest pure-play helium producer with over C\$500MM deployed in southwest Saskatchewan, HEVI expedites and financially derisks exploration and development opportunities, gains data and technical expertise, and accesses established commercial offtake channels.
- **Exploration Depth Outpacing Peers:** Through the NAH Partnership, HEVI has acquired significant exploration expertise, through data sharing and direct participation in 17 wells to date – a figure that materially outpaces its next closest public peer, who has drilled only 8 wells.
- **Scalable Exploration Platform:** With near-term revenue helping to financially de-risk future exploration and peer-leading technical experience, HEVI is positioned to replicate the success of its Mankota discovery across its 5MM+ acre land base (the largest behind NAH), with the potential to enhance economics by increasing working interest of future production.
- **C\$4.5MM Strategic Investment from ENEOS Xplora USA ("ENEOS"):** following successful 2024 helium discoveries, ENEOS – a Japanese conglomerate with \$90B in annual revenue – has made multiple equity investments into HEVI in the first half of 2025 and has become the largest shareholder at 26% (fully-diluted basis), while also agreeing to provide technical expertise to HEVI as needed.
- **Owner-Operator Leadership With Strong Track Record:** deeply experienced leadership team demonstrating strong investor alignment through rare combination of low cash compensation and high insider share purchases.
- **Trading at Discount to Peer EV Average:** HEVI is trading at a C\$13.7MM enterprise value, representing a ~42% discount to its average peer EV of C\$21.4MM, despite the Company's near-term production visibility and meaningful exploration upside with the largest helium land package among publicly listed peers. This valuation gap highlights a compelling opportunity as the market may have yet to fully price in HEVI's near-term catalysts and strategic positioning.

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### Sector Context: The Emergence and Maturation of the Helium Market

Helium represents one of the last new investable commodity markets to emerge in the 21st century. Despite its rising strategic importance across high-tech industries – including space exploration, semiconductor fabrication, and medical imaging – helium prices remained artificially low for decades, primarily due to the U.S. government’s prolonged sale of its Federal Helium Reserve. In an effort to reduce debt, the Federal Helium Reserve was depleted via sale at prices based on carrying costs rather than market fundamentals, which began in the mid-1990s and continued until 2018. Secondary supplies produced as a by-product of natural gas production further prevented price discovery and eliminated the economic incentive for dedicated helium exploration.

The end of large-scale Federal Reserve sales marked a structural turning point. Without subsidized supply, prices quickly recalibrated, rising above US\$500/mcf and temporarily spiking as high as US\$1,500/mcf during the Russia–Ukraine conflict. This repricing spurred a wave of exploration activity in the early 2020s, driven largely by retail capital.


However, early optimism in the sector has given way to a more selective market reality. While the helium macro remains compelling, many juniors have struggled to convert promise into results. Exploration setbacks, funding shortfalls, lack of processing infrastructure, and limited technical analogues have hampered development efforts across much of the sector. Most geological models remain unproven, and only one operator, North American Helium, has successfully advanced from discovery to meaningful commercial production.

### HEVI Formation and Strategic Partnership with North American Helium

HEVI was formed in 2020 during the earliest phase of the helium exploration cycle and listed in 2022, distinguishing itself by rapidly consolidating more than five million acres of helium land rights within Saskatchewan’s helium fairway – the largest land position amongst publicly traded peers. Guided by historical mapping from decades of oil and gas activity in the province, the Company established a geologically informed land portfolio at minimal cost and with modest holding obligations, providing both long-term exploration runway and strategic optionality as the sector matures.

HEVI’s early-mover advantage and strategic positioning attracted the attention of North American Helium (“NAH”), the only other company with a comparably scaled exploration land package and the sector’s leading operator, having initiated its own exploration efforts in 2013. Since then, NAH has deployed over \$500MM of capital, with rumored contracts with SpaceX/NASA and a material footprint of current helium production in the province.

Figure 1: North American Helium Summary

 Private	<b>C\$500MM+</b> invested in Saskatchewan	<b>9 facilities</b> actively producing helium	<b>7%</b> of North America’s helium production
	<b>210 MMcf/yr</b> total annual helium production	<b>9MM</b> acres of exploration land	<b>100+</b> wells drilled

Source: Company reports

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In June 2022, shortly after HEVI's public listing, NAH made a strategic investment at \$0.40/share to acquire a 9.9% fully-diluted stake in HEVI. More importantly, the partnership was formalized through a JV agreement that allowed NAH to farm into 70 sections of HEVI's land package with NAH committing to fund 100% of exploration costs in exchange for 80% working interest on those select lands. This carried structure was foundational to HEVI's early strategy, enabling the Company to retain upside exposure while preserving capital and avoiding early dilution.

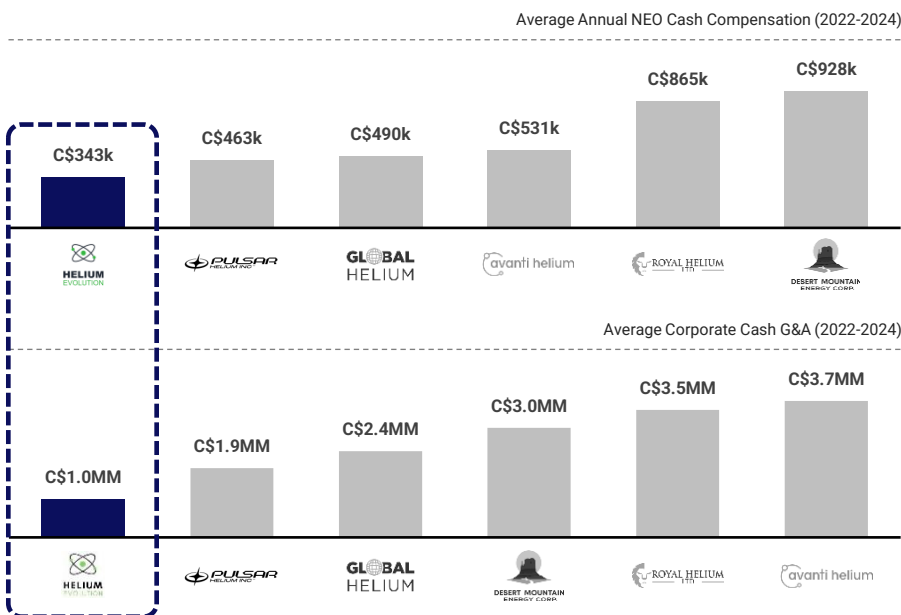
## Management: Experienced, Invested, Aligned

Helium Evolution is led by one of the most experienced and shareholder-aligned teams in the junior helium sector. The board combines strong executive and capital markets acumen with deep Saskatchewan-based resource experience, notably including the Honourable Brad Wall, former Premier of Saskatchewan and a respected advocate for resource development in the province.

In contrast to many junior resource companies, HEVI has adopted a lean operating model, prioritizing exploration spending over G&A or promotional budgets and has helped the Company largely avoid returning to equity markets. Management's total cash compensation ranks as the lowest in the sector by a considerable margin. HEVI upholds a high-conviction, owner-operator mentality that few companies can credibly claim.

Figure 2: NEO compensation excludes share-based compensation. Non-operating cash burn excludes finance expense from respective reported financials. Pulsar Helium was listed in 2023 and has only two years of public financial data. Royal Helium has not reported 2024 financials.

**Figure 2: Capital Discipline: NEO Cash Compensation & Corporate Cash Burn**



Source: Company reports

Insiders have also consistently demonstrated alignment with shareholders through material open-market cash purchases and private placement participation. **Total management and board share purchases for HEVI have exceeded C\$1.45M since listing in 2022.**

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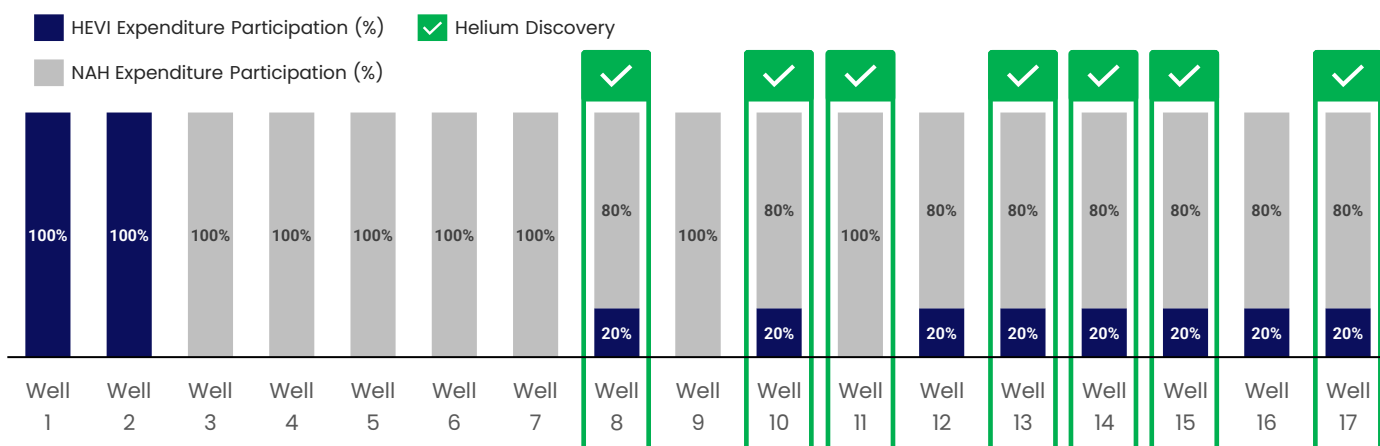
### Building the Sector's Most Advanced Exploration Dataset

In a sector largely funded by retail capital and marked by high technical risk, acquiring applied geological experience through wildcat exploration programs proved costly for many in the sector. HEVI's farm-out arrangement with NAH offered a differentiated approach: it enabled the Company to leverage NAH's institutional capital and operational scale to achieve broader portfolio testing, spreading geological risk across multiple targets during the highest-risk phase of the exploration program.

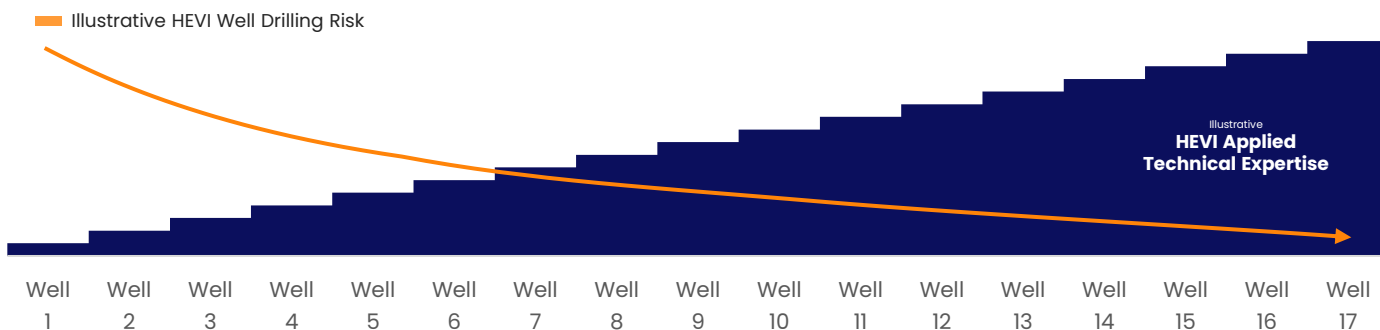
As a result of its arrangement with NAH, HEVI has successfully participated in the drilling of 17 wells to date – **notably, at the same cost as 4 net wells thanks to NAH bearing the majority of the financial weight of the associated exploration costs.** The agreement with NAH also included seismic programs being shot over the JV lands to help decrease the risk profile prior to drilling. The structure of the partnership has allowed HEVI to preserve its balance sheet strength while leveraging NAH's capital and operational capabilities to systematically test and de-risk its extensive land package. Each well drilled under the program has provided valuable geological insights, enabling HEVI's management team to refine their exploration models and improve the probability of future helium discoveries.

**HEVI maintains a 20% ownership stake in all wells drilled in connection with NAH.**

**Figure 3: HEVI Wells Drilled**



Source: Company reports

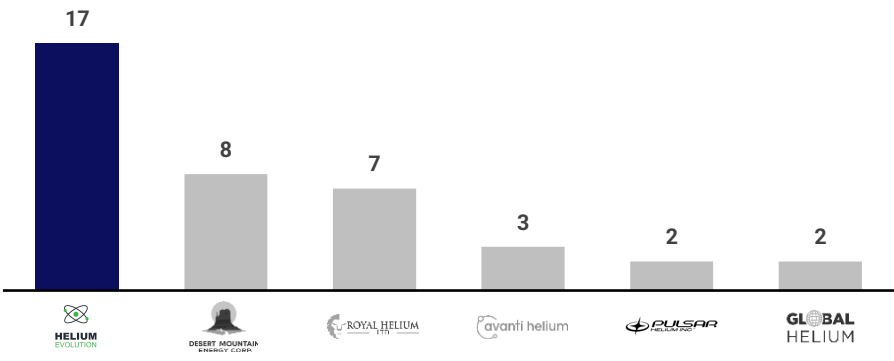


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HEVI’s experience from drilling 17 wells dwarfs any of its public peers – many of whom struggled to gain the momentum necessary to fund sufficiently scaled exploration.

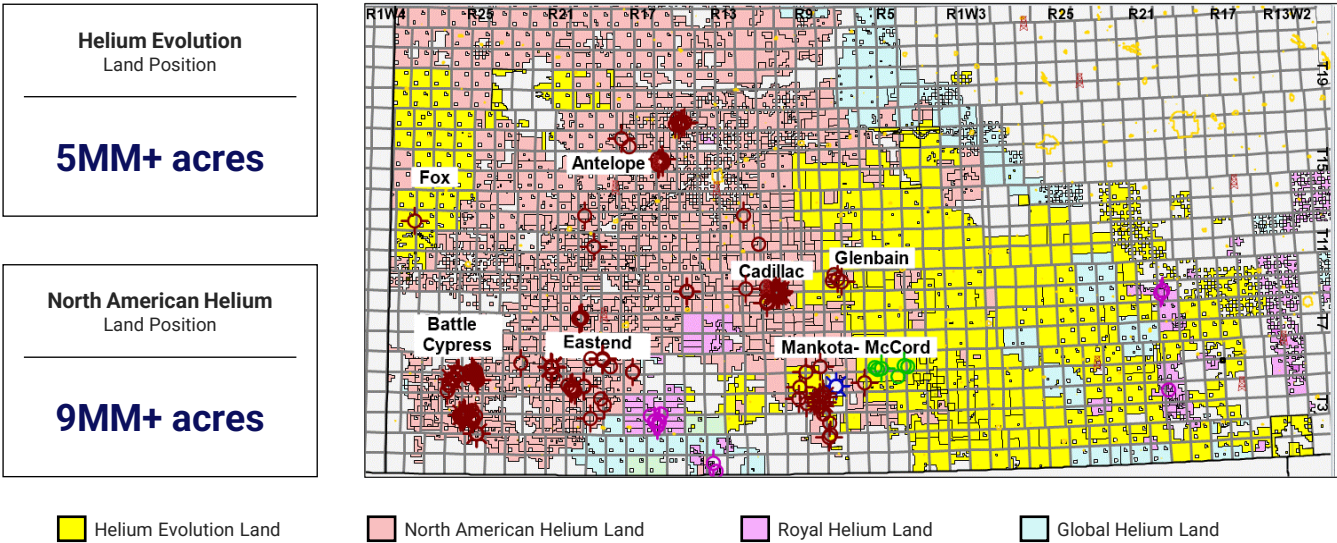
**Figure 4: Wells Drilled by Helium Peers**



Source: Company reports

HEVI now arguably possesses the most advanced applied exploration experience amongst publicly traded helium companies. Backed by a substantial land position and ongoing collaboration with NAH, the Company has significantly de-risked its exploration strategy and is uniquely positioned to pursue additional discoveries across its 5M+ acre exploration portfolio in Saskatchewan’s helium fairway.

**Figure 5: HEVI Land Package**



Source: Company reports



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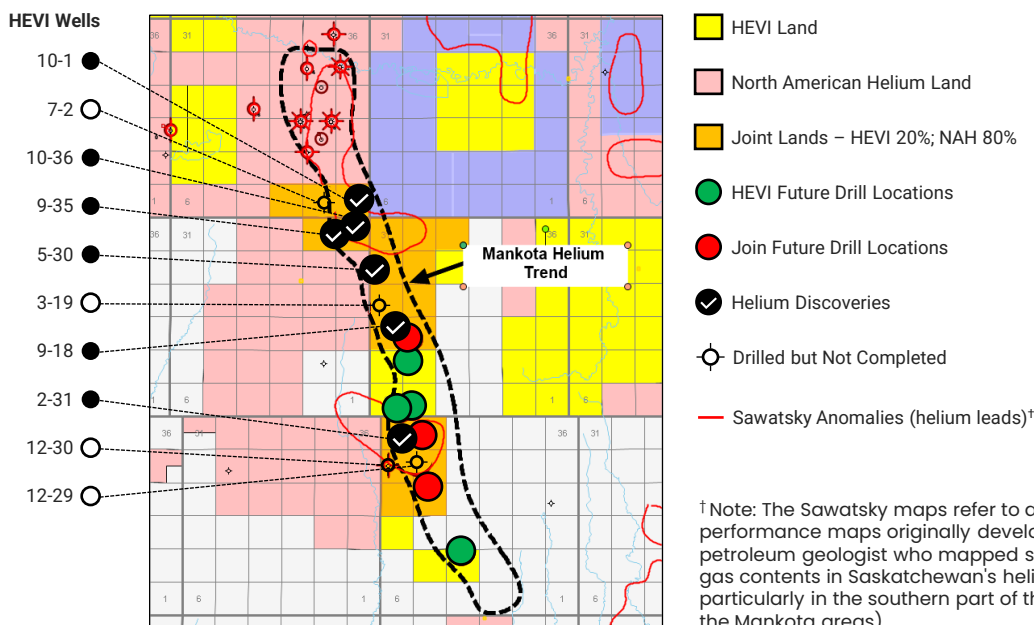
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### Discovery at Mankota: A Technical Breakthrough

Beginning in late 2022, the HEVI/NAH partnership focused exploration drilling on multiple helium-bearing zones across southwest Saskatchewan. This culminated in a breakthrough at Mankota in late 2023, where HEVI recorded its first meaningful helium discoveries. These initial wells were notable not only for their grades – well above the 0.3% commercial threshold – but also for the high deliverability displayed after completing the wells. The formations demonstrated stable flow rates and strong pressure support, indicative of minimal formation damage.

**Figure 6: The Mankota Helium Trend**



Source: Company reports

Equally important as the discovery itself is the quality of the gas. Unlike many helium prospects encumbered by high levels of methane, CO<sub>2</sub>, or other contaminants that increase processing costs, HEVI's wells are primarily associated with nitrogen making up the bulk of the carrier gas, which can be freely vented into the atmosphere. This materially reduces development complexity and is expected to lower capital intensity per unit of helium recovered as well as processing costs.

Building on this success, the JV executed a focused delineation program in 2024/2025 confirming consistent helium grades, clean gas profiles, and stable reservoir conditions across multiple step-out wells. With six discovery wells now proving a laterally extensive trend, the Company has substantially de-risked its Mankota project area. This differentiates HEVI from peers chasing isolated or marginal targets, positioning the Company to advance a scalable, centralized development model with lower unit costs and improved capital efficiency.

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**Figure 7: HEVI Helium Discoveries**

Name	Location	Spud Date	Ownership		Flow Rate	Helium Content
			HEVI	NAH		
			(%)	(%)	MMscf/d	[He]
2-31-2-8W3	Mankota	September 2023	20%	80%	4.0	0.95%
9-18-3-8W3	Mankota	December 2023	20%	80%	0.7	0.87%
9-35-3-9W3	Mankota	January 2024	20%	80%	7.0	0.64%
10-1-4-9-W3M	Mankota	November 2024	20%	80%	9.5	0.75%
10-36-3-9W3	Mankota	January 2025	20%	80%	11.5	0.81%
5-30-3-8W3	Mankota	February 2025	20%	80%	9.7	0.76%
Average:					7.1	0.80%

Source: Company reports

### Institutional Support Preceding Retail Recognition

Despite its recent operation success and improved strategic positioning, HEVI remains underappreciated by the broader market and may be a victim of some of the past struggles of its junior helium peers. While the share price has rebounded from its all-time lows, it continues to trade well below prior financing levels – a disconnect that underscores an apparent lack of retail recognition around the Company's recent progress at Mankota. This gap in awareness is particularly striking given HEVI's transformation from a high-risk exploration story into a discovery-backed, well-funded developer with a clear path to production later this year and large remaining exploration position.

That said, the success of HEVI's discovery and delineation program at Mankota has not gone unnoticed by all. In the first half of 2025, ENEOS – one of Asia's largest energy conglomerates with over US\$90B in annual revenue – announced two strategic investments totaling \$4.5MM into HEVI to become its largest shareholder with approximately 26% fully-diluted ownership. We view the investment as highly strategic for HEVI, providing several key benefits:

- Balance Sheet Reinforcement:** The significant position established by ENEOS underscores a demonstrated commitment to long-term support, including anti-dilution rights. This ongoing backing enhances funding visibility beyond 2025 drilling and provides HEVI with a stable strategic partner capable of supporting future growth initiatives.
- Operational De-Risking:** ENEOS brings deep subsurface and project development expertise and its technical involvement provides validation of HEVI's asset quality. This positions the Company to execute more effectively as it advances toward commercial-scale helium production.
- Enhanced Technical Capacity:** HEVI gains direct access to ENEOS's operational expertise and global network via a structured secondment program, enhancing HEVI's ability to scale exploration and optimize production buildup.

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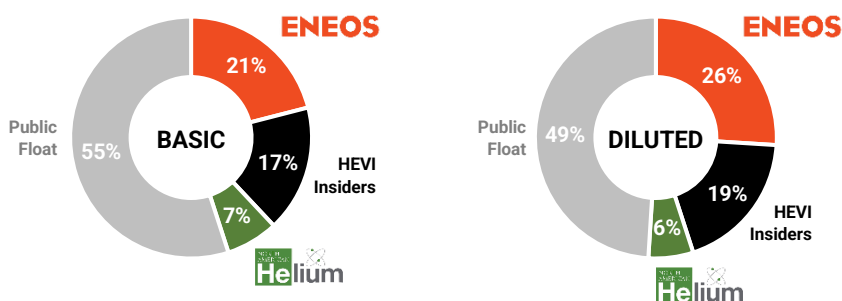
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Insider participation in the HEVI's recent financing underscores a strong alignment of interests and long-term conviction from the Company's leadership, with management and directors contributed \$221,150 alongside strategic partner ENEOS. The Company's evolving shareholder base has resulted in a more concentrated and strategically aligned ownership structure, increasingly resembling that of an institutional-backed issuer rather than a broadly distributed, retail-funded junior. **With approximately 50% of shares now held by long-term holders**, HEVI is well-positioned to benefit from greater capital markets credibility and potentially lower its cost of capital as investor awareness and liquidity improve.

**Figure 8: Notable Shareholder Positions**

HEVI Share Capital	millions
Basic Shares	123.0
Options	9.6
Warrants	13.5
<b>Fully Diluted Shares</b>	<b>146.0</b>
Cash	\$7.8

Source: Q1 2025 Company financials and interim financings



## Strategic Positioning: Infrastructure-Backed Transition to Production

The ENEOS investment comes at a critical time as HEVI transitions from a pure exploration story to a company with a clear line of sight to first production this year. In late May 2025, HEVI announced its commitment to fund its 20% pro-rata share (C\$5.2MM) of the Soda Lake project. Strategically located in one of North America's most productive helium regions, the Soda Lake facility is ready for deployment and is expected to serve as a regional processing hub. The facility is anticipated to come online in Q4 2025, once seasonal environmental restrictions in the Mankota area permit site access and the wells to be tied in.

The path towards realizing first production is also relatively de-risked:

- **Funding:** HEVI has sufficient cash on hand to meet its pro-rata share of the Soda Lake facility capital costs. However, in line with its capital-efficient approach, the Company is evaluating debt and equity financing to fund a portion of the investment to preserve working capital for continued exploration while maintaining full momentum towards first production.
- **Development & Operations:** NAH will be operator of the facility, bringing arguably the most successful midstream helium partner in Saskatchewan, having developed and operated 9 other facilities like Soda Lake across southwest Saskatchewan. HEVI stands to directly benefit from this track record, where execution and timeline risk has been mitigated.
- **Sales Channels Option:** as part of its JV agreement with NAH, HEVI also maintains the option to sell its gas through NAH sales channels for a 2.5% marketing fee. HEVI has not disclosed its intention to utilize this option and may seek to develop its own commercial offtake but provides a de-risked avenue to first sales as a fallback.

This transition from explorer to producer represents a structural re-rating opportunity. We believe infrastructure-backed production creates a long-term floor under the Company's valuation and elevates HEVI's strategic relevance as one of the only pure-play helium



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producers in the world. With newly anticipated capital flexibility to advance high-impact exploration and execution risk mitigated through its partnership with NAH, HEVI is emerging as one of the most strategically advantaged platforms in the sector.

Depending on the resulting helium price, the Soda Lake Facility has the potential to provide meaningful foundational cash flow to support future exploration.

**Figure 9: Illustrative Soda Lake Facility Sensitivity**

	Helium Price						
	USD	USD\$350	USD\$400	USD\$450	USD\$500	USD\$550	USD\$600
Raw Gas	mcf/day	12,000	12,000	12,000	12,000	12,000	12,000
Helium Produced	mcf/day	102	102	102	102	102	102
Annual Helium	mcf	37,230	37,230	37,230	37,230	37,230	37,230
Gross Revenue	C\$MM	\$17.7	\$20.2	\$22.8	\$25.3	\$27.8	\$30.4
Royalties	C\$MM	\$1.3	\$1.5	\$1.7	\$1.8	\$2.0	\$2.2
Processing & Lease Costs	C\$MM	\$3.4	\$3.4	\$3.4	\$3.4	\$3.4	\$3.4
Operating Costs	C\$MM	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4	\$2.4
Marketing Fee	C\$MM	\$0.4	\$0.5	\$0.6	\$0.6	\$0.7	\$0.8
Operating Cash Flow	C\$MM	\$10.2	\$12.5	\$14.8	\$17.1	\$19.4	\$21.6
HEVI Share (20%)	C\$MM	\$2.0	\$2.5	\$3.0	\$3.4	\$3.9	\$4.3

Note: the figures presented in the above table are for illustrative purposes only and are based on a combination of publicly disclosed and assumed inputs. Assumptions include: 12 million standard cubic feet per day of raw gas throughput (HEVI May 27, 2025 NR), 2.5% marketing fee (April 2025 HEVI Corporate Presentation), and a 7.25% (HEVI MD&A). Additional inputs including 0.85% [He], 365 producing days per year, C\$90/mcf in processing & transportation costs, C\$65/mcf in processing costs have been selected by the authors for modeling purposes and do not represent official guidance from the Company. Values reflect assumed ranges for nitrogen-associated helium production using modular infrastructure. Actual results may vary, and this analysis is not intended as a forecast and should not be relied upon as an indicator of future performance.

## Growth Pathways

Thanks to its institutional partnerships and capital-light strategy to this point, HEVI is now positioned to enter the Company's next phase of growth with a tight share structure and a technically validated asset base. With foundational infrastructure in place and an initial cluster of discovery wells tied in, HEVI's forward strategy centers on three key avenues – potentially funded at least in part by organic cash flow. Each path offers optionality and potential valuation catalysts, underpinned by the Company's extensive Saskatchewan land position and infrastructure-backed production base.

### 1. Expanding the Current Mankota Discovery

With six helium discoveries to date in the Mankota area (three slated for tie-in at Soda Lake), HEVI and NAH are set to continue delineation drilling in H2/25. Success could confirm a larger pool, unlocking potential for a second processing facility – either as a Soda Lake expansion or standalone plant. NAH's modular infrastructure model supports this scalability. For HEVI, a growing production footprint at Mankota could materially enhance cash flow and internally fund future exploration.

### 2. Unlocking 100%-Owned Mankota Acreage Through Strategic Partnerships

Only a small portion of HEVI's lands are under JV with NAH, leaving sizable 100%-owned acreage untouched. HEVI recently expanded this position with four new sections adjacent to known discoveries. With significant drilling experience, HEVI is in a strong position to evaluate future drilling options. The Company may choose to seek third-party partnership and accelerate drilling while minimizing capital outlay or drill on proprietary land at full ownership.

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3. Scaling Beyond Mankota: Advancing High-Impact Regional Targets

HEVI’s broader portfolio includes multiple high-priority prospects beyond Mankota, informed by historical helium shows and proprietary seismic. In Gravelbourg/Glenbain, a 2023 exploration well confirmed reservoir presence, validating the geologic model and guiding further work. In Fox/Abbey, follow-up testing is planned after intersecting thick target zones with up to ~2% helium in nearby analogs. Success across these satellite targets could transform HEVI into a multi-pool helium platform, offering meaningful upside optionality beyond Soda Lake.

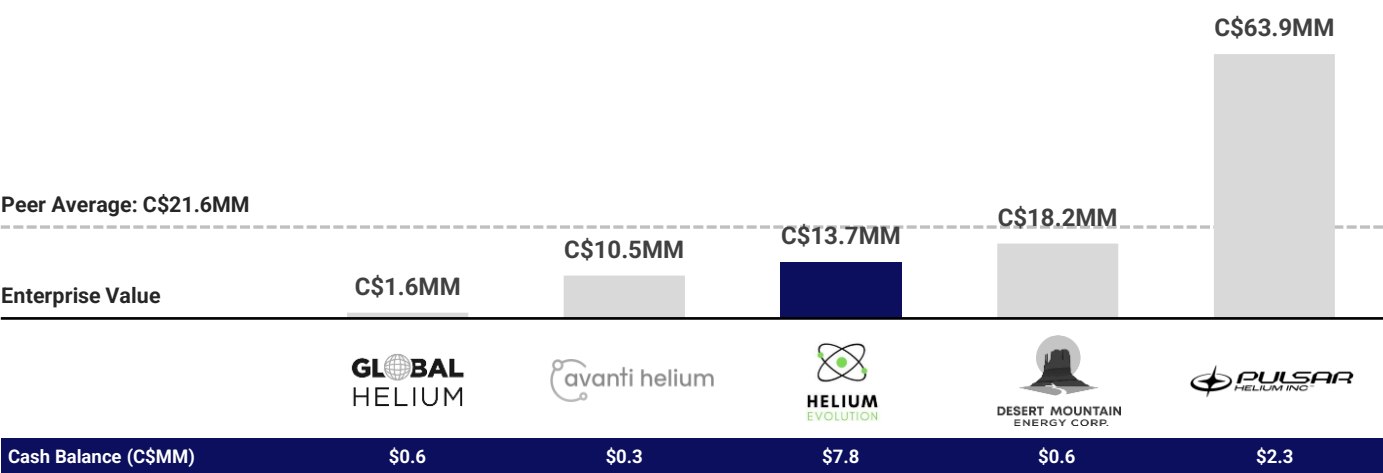
Valuation

Despite achieving meaningful technical and strategic milestones, HEVI’s current valuation appears to reflect neither its improved risk profile nor its institutional positioning. Trading below prior financing levels and below the valuation of less advanced peers.

This disconnect is particularly notable when contrasted against the Company’s trajectory: since listing, HEVI has advanced from an early-stage land consolidator to a discovery-backed helium developer with a funded path to production and financial backing from one of Asia’s largest energy conglomerates. Few peers can claim a comparable scale of exploration activity, partnership quality, or near-term revenue visibility – yet HEVI continues to trade more typical of a pre-discovery explorer.

We believe this asymmetry is largely a function of lagging retail recognition rather than fundamental deficiencies. As infrastructure comes online and revenue begins to validate the model, we expect valuation to re-rate in line with underlying progress – particularly as broader market attention begins to differentiate technically mature helium platforms from high-risk junior peers.

Figure 10: Peer Valuation Analysis



Source: Company reports; Price data as at August 1, 2025