

ASX ANNOUNCEMENT

30 January 2025

Activities Report

Quarter Ended 31 December 2024

Blue Star Helium Limited (ASX:BNL, OTC:BSNLF) provides an update on its activities for the quarter ended 31 December 2024.

Highlights

- **Strategic Helium Acquisition:** Secured options to purchase helium assets and oil and gas assets in Colorado with existing wells, infrastructure, and potential for rapid development.
- **Galactica/Pegasus:** Farmed out 50% interest to Helium One, who will fund the drilling of six development wells (up to US\$450,000 per well). Drilling expected to start in Q1 2025, with first production slated for H1 2025.
- **Corporate:** Completed two-tranche placement, raising A\$3.0 million. Quarter-end cash balance of A\$2.6 million and zero debt.

OPERATIONS

Strategic Helium Acquisition

Blue Star has secured options to purchase helium assets and oil and gas assets in Lincoln and Cheyenne Counties, Colorado. These assets include:

- Existing wellbores with historic helium concentrations of 1.36% to 2.02% and raw gas flow rates of 5,000 to 10,000 Mcfd.
- Substantial production infrastructure and proximity to the Ladder Creek helium liquefaction facility.
- The Kregel well, currently producing helium and connected to the Tumbleweed gas gathering system.
- Approximately 283 square miles of 3D seismic data for exploration.
- Late-life oil and gas production which the vendors advised produced US\$3.4 million of net operating profit in the 9 months to 30 September 2024.

Blue Star is evaluating funding options for the acquisition, including debt and/or strategic joint ventures.

For further information refer to BNL ASX Announcement and cautionary statement dated 23 December 2024 (*Strategic Helium Acquisition Option*).

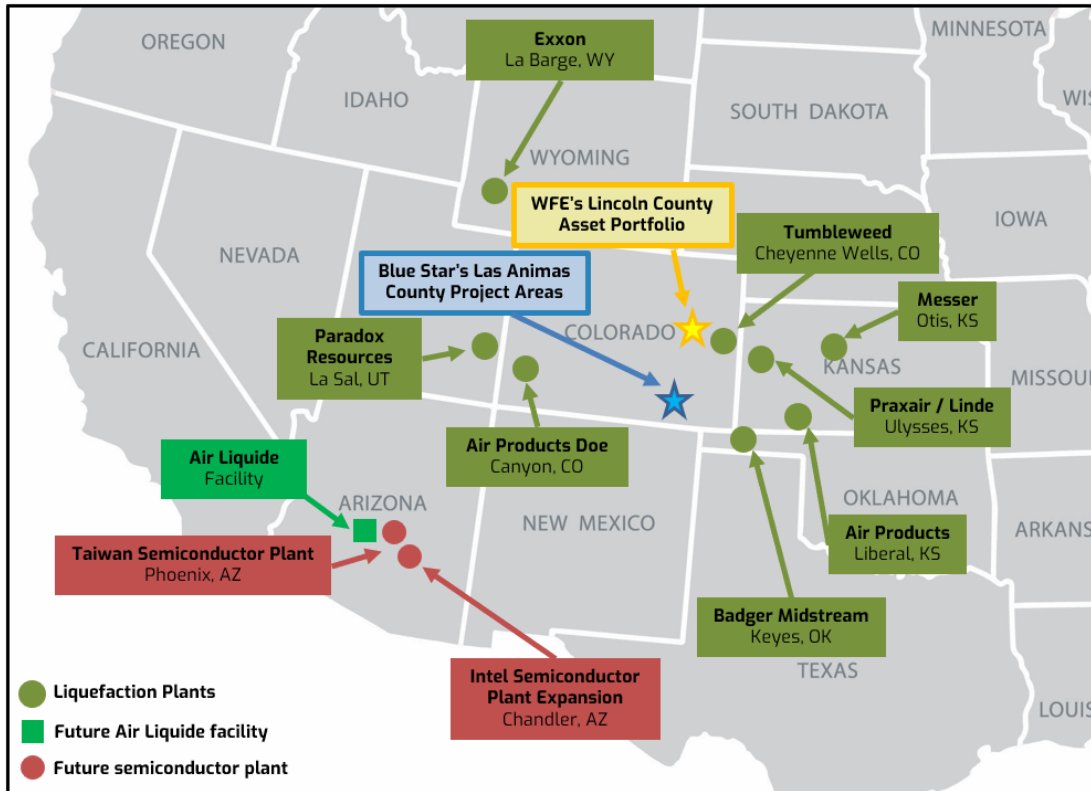


Figure 1: Location of key liquefaction and semiconductor plants across the western United States, including Blue Star's Las Animas County project area and WFE's Lincoln County asset portfolio in Colorado.

Galactica/Pegasus Project

Blue Star has finalized a farm-in agreement with Helium One for a 50% interest in the Galactica/Pegasus Project. Helium One has paid US\$1.5 million to Blue Star and fully fund the drilling of six development wells (up to US\$450,000 per well).

Five of the six well locations have been approved and permitted. The sixth well requires the final form 2 approval which takes 15 to 30 days to obtain. Drilling is expected to start in Q1 2025, with first helium production anticipated in H1 2025.

For further information refer to BNL ASX Announcement dated 28 August 2024 (*Helium One Farms into Galactica / Pegasus Project*).



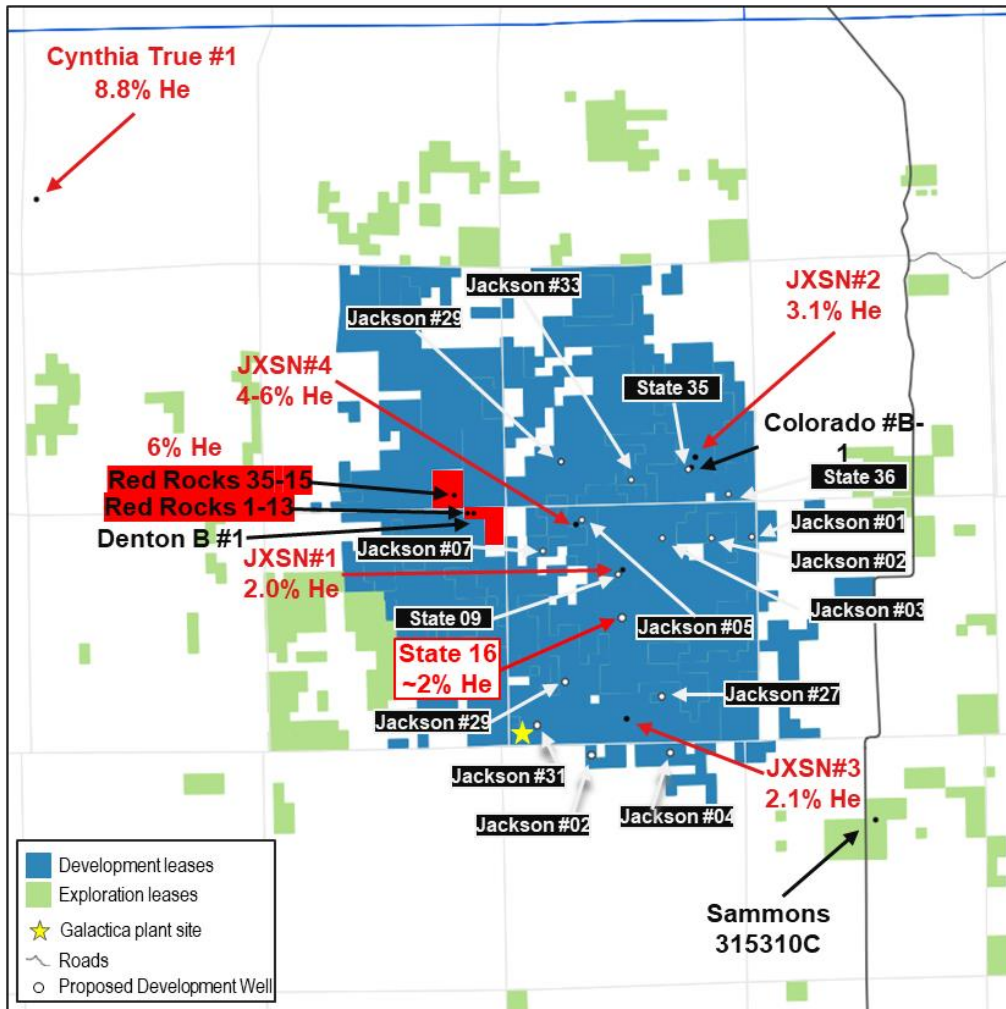


Figure 2: Planned development well locations at the Galactica/Pegasus prospect including the neighbouring Red Rocks Helium Project

CORPORATE

Blue Star completed a two-tranche placement, raising A\$3.0 million. The Company had a cash balance of A\$2.6 million at the end of the quarter and zero debt.

TENEMENT TABLE

Tenements held at the end of the quarter and changes thereof.	Acreage held at the beginning of the Quarter	Acreage held at the end of the Quarter	Acreage acquired (disposed/lapsed)
Project Name			
Helium Project, Las Animas, Colorado, USA*	Circa 314,556 gross (224,624 net) acres	Circa 302,576 gross (196,808 net) acres	Circa -11,979 gross (-12,620 net) acres

5B COMMENTARY

Description of Selected Items in Appendix 5B

Appendix 5B Reference		Commentary
1.2 (a)	Expensed exploration and evaluation costs of (\$51,000)	Expenditures primarily for delay rentals. There was a reclassification of some costs between expense and capital since 3Q that caused 4Q to show as a credit
1.2 (c)	Payments for production of \$53,000	Costs associated with General Liability and Energy Package insurance and storm water management of existing well pads.
2.1 (b)	Payments to acquire tenements / leases of \$46,000	Costs associated with the acquisition of helium leases in Colorado, USA including land manager fees.
2.1 (d)	Capitalised exploration and evaluation costs of \$283,000	Capitalised expenditures associated with exploration and evaluation of the Company's helium acreage in Colorado USA. Includes site works for the upcoming drilling campaign, permitting, subsurface evaluation and field costs.
6.1 and 6.2	Payments to Related Parties of \$113,000	Includes directors' fees and superannuation paid to directors.

The Board has authorised the release of this announcement to ASX.

For further information, please contact:

Trent Spry

Managing Director & CEO

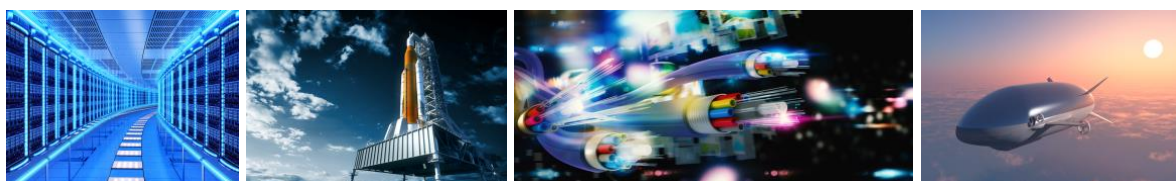
info@bluestarhelium.com

About Blue Star Helium:

Blue Star Helium Ltd (ASX:BNL) is an independent helium exploration and production company, headquartered in Australia, with operations and exploration in North America. Blue Star's strategy is to provide its shareholders with exposure to multiple high-value helium projects in North America. For further information please visit the Company's website at www.bluestarhelium.com

About Helium:

Helium is a unique industrial gas that exhibits characteristics both of a bulk, commodity gas and of a high value specialty gas and is considered a "high tech" strategic element. Due to its unique chemical and physical qualities, helium is a vital element in the manufacture of MRIs and semiconductors and is critical for fibre optic cable manufacturing, hard disc manufacturing and cooling, space exploration, rocketry, lifting and high-level science. There is no way of manufacturing helium artificially and most of the world's reserves have been derived as a by-product of the extraction of natural hydrocarbon gas.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Blue Star Helium Limited

ABN

75 009 230 835

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2	9
1.2 Payments for		
(a) exploration & evaluation	51	(2,802)
(b) development	-	-
(c) production	(53)	(95)
(d) staff costs	(418)	(1,622)
(e) administration and corporate costs	(629)	(1,514)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	27
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,044)	(6,000)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements / leases	(46)	(192)
(c) property, plant and equipment	(21)	(282)
(d) exploration & evaluation	(283)	(1,358)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements / leases	2,420	2,420
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (return of bonds)	-	-
2.6 Net cash from / (used in) investing activities	2,070	588

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,055	3,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(96)	(222)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(436)	(1,462)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	523	1,316

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,239	6,869
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,044)	(6,000)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,070	588
4.4 Net cash from / (used in) financing activities (item 3.10 above)	523	1,316

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(97)	(82)
4.6	Cash and cash equivalents at end of period	2,691	2,691

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,691	1,239
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,691	1,239

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	113
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,044)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(283)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,327)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,691
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,691
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company is not required to answer this question as it meets the 2 quarters threshold. However, the Company notes it has entered into a farmin agreement with Helium One Global Ltd that significantly reduces the capital required from the Company for the Galactica Pegasus project. The first half of 2025 will see a relative increase in net operating cash outflows as the Galactica Pegasus development is finalized easing once turned to sales.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Board regularly evaluates market appetite for equity financing and believes that the Company will be able to continue to access funding as required.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, with the new farmin agreement and continued access to funding, the Company expects to be able to meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.