

ASX Release

24 December 2024

Flexible Funding Package Secured

Highlights

- Up to US\$2.5 million Convertible Notes available to fund ongoing exploration activity and working capital.
 - First tranche drawdown US\$850,000.
 - The Notes are interest free (except on default), have a 36 month from drawdown maturity and a face value of US\$1.15.
 - Fixed conversion price A\$0.10, variable conversion price 90% of average daily VWAP during 5 Trading Days over the 20 Trading Days prior to conversion and a conversion floor price A\$0.03.
 - No conversions at the variable conversion price until after 3 February 2025.
 - Company can repay at any time, subject to a 5-day written notice, at a 5% premium.
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Noble Helium Limited (ASX:NHE) wishes to advise that it has entered into a convertible securities and share placement agreement (Convertible Securities Agreement) with Obsidian Global GP LLC (Obsidian) to raise up to US\$2.5 million through the issuance of convertible notes (Notes).

The Notes comprise an initial tranche of US\$850,000 (approximately A\$1.36 million) (**Tranche 1 Notes**) before costs and additional further tranches within 12 months of up to US\$1.65 million (**Subsequent Notes**), subject to mutual agreement and other standard conditions precedent.

The Notes are interest free (except in default) and mature 36 months from drawdown. The Notes have a US\$1.15 face value.

The Notes are secured and can be converted at Obsidian's option at either the Fixed Conversion Price of A\$0.10 or (after 3 February 2025) the calculated Variable Conversion Price (detailed below) subject to a floor Price of A\$0.03.

The Company has the option to repay the Notes in cash at a 5% premium on 5 days written notice.

The Tranche 1 Notes (and Placement Shares) are subject to an aggregate issue and conversion limit of 62,334,297 shares (based on A\$/US\$ exchange rate of 0.6226 and the conversion floor price of A\$0.03) and will be issued utilising the Company's available placement capacity under ASX Listing

Rule 7.1. The issue and conversion of any Subsequent Notes is subject to mutual agreement and satisfaction of certain conditions precedent, including the receipt of prior shareholder approval.

The funds raised from the Tranche 1 Notes will be used toward exploration activities, license renewals, and working capital.

A summary of the other material terms of the Convertible Securities Agreement is set out in the Annexure A.

Noble Helium Managing Director and CEO, Mr Shaun Scott said:

"We welcome the support of Obsidian and our decision to pursue a convertible note structure on good terms reflects our expectation of the upside ahead, when we are able to access and drill the shallow potential free gas caps identified at Mbelele and Kinambo in North Rukwa."

The flexibility of this structure gives us immediate access to capital while minimising dilution. We maintain the option to repay the note or allow conversion to equity based on the outcome that is in the best interest of the Company and shareholders. In conjunction with the existing At-The-Market facility, we now have a suite of funding options available."

Compliance statement

The Company provides the following information for the purposes of section 4 of ASX Compliance Update No 05/20, and ASX Compliance Update No 05/23:

- the Company has negotiated the Convertible Notes at arm's length with a sophisticated and professional investor who is an independent third party to the Company;
- the Company considers that the issue of the Convertible Notes is an appropriate and commercial solution to provide working capital to enable the Company to support its exploration activities and working capital requirements;
- prior to entering into the Convertible Securities Agreement, the Company considered other available fund-raising options, such as a traditional equity raising and other types of equity-linked debt instruments, to meet the Company's funding requirements. The Company was of the view that the other options available were not on the same commercial terms and were therefore not in the best interests of Shareholders of the Company; and
- the Company has not agreed to enter into a deed of charge or other form of security arrangement and to issue 'collateral shares' to the convertible noteholder.

The Company confirms that it sought legal advice from Nova Legal regarding the suitability of the terms of the Convertible Notes and was advised that the Convertible Notes were market standard and do not contain any of the features noted in section 5.9 of ASX Guidance Note 21, based on the reasons set out below:

- the Convertible Securities Agreement contains a floor price for the conversion of the Convertible Notes; and
- there are other convertible notes on similar terms in the marketplace.

This announcement has been authorised for release on ASX by Noble Helium's Board of Directors.

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Annexure A – Convertible Securities Agreement

Issue of Convertible Notes	The Company has agreed to issue and Obsidian has agreed to subscribe for convertible notes convertible into fully paid ordinary shares in the Company (Shares) (Convertible Notes).
Commitment Limit	US\$2,500,000
Security Interest	A fixed and specific charge over Other property. The Company may sell or otherwise deal with the Circulating Assets in the ordinary course of its ordinary business on reasonable commercial terms unless and until an Event of Default occurs.
Face Value	US\$1.15 per Convertible Note (Face Value)
Purchases	On each Purchase Date (set out below) Obsidian must pay the Company the relevant Purchase Price (set out below) and the Company must issue the relevant number of Convertible Notes: (a) First Purchase: US\$850,000, within 5 business days after the execution date of the Convertible Securities Agreement (Execution Date); and (b) Subsequent Purchases: as agreed between Obsidian and the Company, provided that the aggregate Purchase Price under all Purchases cannot exceed the Commitment Limit. The Company will issue the number of Convertible Notes that is equivalent to the actual amount paid in US\$ by Obsidian converted at the A\$/US\$ exchange rate on the date of funding.
Placement Shares	(a) The Company will issue 10,000,000 Shares (Placement Shares) to Obsidian which can be used to repay the Convertible Securities as described below. (b) Obsidian can pay for any of the Placement Shares at any time at the then current Variable Conversion Price. (c) On a conversion, Obsidian may in its sole discretion apply the Placement Shares to offset the new Shares that would be required to be issued on such conversion. (d) If any Placement Shares remain outstanding following full repayment of the Convertible Notes and termination of the Convertible Securities Agreement, Obsidian must either (at its election): (i) pay the Company an amount determined by multiplying the Placement Share Payment Number by 90% of the average of the lowest 5 daily VWAPs during the 20 Actual Trading Days immediately prior to the date upon which the Investor makes the payment rounded down to the lowest A\$0.001; or (ii) sell the Placement Share Payment Number Number of Shares on-market and pay 95% of the net sale proceeds to the Company; or (iii) transfer the Placement Share Payment Number Number of Shares to the Company's nominee for no consideration
Conditions to Subsequent Purchases	Subsequent Purchases are subject to satisfaction of the following conditions: (a) the Company has obtained shareholder approval to the issue of the Convertible Securities to be issued at the Subsequent Purchase which remains valid at the time of the Subsequent Purchase;

	(b) the Company and Obsidian have agreed the Purchase Price, Floor Price, Fixed Conversion Price and Purchase Date in respect of the Subsequent Purchase; and (c) the Purchase Price, when aggregated with all Purchase Prices from prior Purchases, will not exceed the Commitment Limit.
Interest	No interest is payable on the Convertible Notes except if an event of default occurs.
Conversion Prices	The note(s) issued at the First Purchase shall be convertible in whole or in part at the Investors election at a price equal to A\$0.10. (Fixed Conversion Price). After 3 February 2025, if any average 20-day VWAP is below the Fixed Conversion Price (or earlier, if an Event of Default occurs), the Investor may convert the note(s) at a 10% discount from the average of the 5 daily VWAP's of their choosing in the 20 trading days prior to Conversion, (Variable Conversion Price) provided that the said conversion price is not less than A\$0.03 (in respect of the notes issued at the First Purchase) (Floor Price). If any conversion takes place at the Variable Conversion Price and the Variable Conversion Price without regard to the Floor Price is lower than the Floor Price, then at the time of the issue of the Conversion Shares, the Company must either reduce the number of Placement Shares or make a payment to Obsidian in accordance with a prescribed formula.
Limitation on Conversions at	Obsidian may not give a conversion notice where the number of Conversion Shares would exceed 4.99% of the number of Shares on issue (other than where an Event of Default occurs).
Prepayment	At any time, the Company may prepay the Convertible Note in cash (in full or in part) subject to giving a 5-day written notice to the Investor and paying 105% of the relevant Face Value.
Early Repayment on Raise	Obsidian may at any time, subsequent to the date of the execution of the Convertible Securities Agreement, provide written notice to the Company where the Company raises funds from any source including the ATM (other than from Obsidian), requiring the Company to apply up 10% of the proceeds of the funds raised to the redemption of outstanding Convertible Notes.
Repayment on Maturity	On each Maturity Date the Company must redeem all outstanding Convertible Notes that mature on that Maturity Date by paying Obsidian the Redemption Amount (105% of Face Value) in respect of the relevant Convertible Notes.
Share Capacity	The maximum aggregate number of new shares (not including any shares issued with prior shareholder approval or any shares the prior issue of which has been ratified by shareholders) required to be issued as the Placement Shares or on conversions of the notes issued at the First Purchase is limited to 85,030,287 shares (which is the Company's present remaining 7.1 capacity). If needed, the Company must seek shareholder approval for the issues of additional shares. At any general meeting of shareholders, the Company holds while any notes are outstanding, the Company must seek ratification by shareholders of any prior issues of shares under the agreement, and shareholder approval to all future issues of shares under the agreement within the maximum period of time after the meeting permitted by the listing rules.

Trading Restrictions	The Investor agrees not to sell more than the greater of i) A\$30,000 or ii) 20% of the daily trading volume, on any given day.
Events of Default	(a) Events of default are standard for a facility of this kind.
Reconstruction of Capital	In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the Fixed Conversion Price will be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, as the case may be, consolidated, subdivided or cancelled.