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## NEWS RELEASE

### **Bruin Point Helium Corp Provides Analysis of the North American Helium Market**

#### ***Growing Demand for Helium Highlights Importance of Reliable Resource Supply***

**Vancouver, BC, Canada – January 17, 2018 – Bruin Point Helium Corp. (the “Company” or “Bruin Point”) (TSX Venture: BPX)** provides a market overview and update on key supply and demand factors affecting the North American Helium Market; namely, the closure by 2021 of the Bureau of Land Management’s (BLM) Helium Reserve and Geopolitical issues in the Middle East, causing possible market fragility and highlighting the need for new North American sources of helium.

Bruin Point’s Chairman, David Sidoo notes that *“We felt that a closer look at the North American Helium Market would be a natural follow-on to our [global helium market update news release \(December 18, 2017\)](#), and of benefit to our shareholders and potential shareholders, or for those who simply wish to understand the reasons Bruin Point is pursuing entry into this market through the development of its Utah exploration project.”*

Bruin Point is a helium exploration and development company. The Company holds 100% Working Interest (“WI”) and 87.5% Net Revenue Interest (“NRI”) in 12 federal leases over 17,767 acres located in southeast Carbon County, Utah (the “Project”). The Company is nearing completion of its Second Phase Seismic Programme, which once completed will assist in the identification of drill targets for further testing.

#### **North American Helium Market**

The US is the largest producer and consumer of helium. North America alone accounts for approximately one third of global helium consumption, ~2.6 billion cubic feet (Bcf). The current annual global consumption for helium is estimated to be around 8 Bcf, an increase of 2 Bcf since 2010<sup>i</sup>.

Helium’s low boiling point makes it ideal for cooling applications, including in nuclear reactors, semiconductors, lasers, light bulbs, superconductivity, magnetic resonance, and cryogenics. New applications in electronics and aviation, as well as the growing use of helium in R&D, act as strong drivers for demand in the future.

In terms of production, the US provides a 55% share of global supply, equal to 4.2 Bcf in June 2016. Followed by Qatar with 32%, while Algeria, Russia, Australia, Canada and Poland make up the short list of other important helium producing nations<sup>ii</sup>. The North American, and global, helium market was tangled with supply constraints between 2011 and 2013, for example, long-term contracts were often fulfilled on 70-80% allocation only, with strategic applications, such as magnetic resonance imaging (MRI) and nuclear magnetic resonance (NMR), given priority<sup>1</sup>. *“The concentration of production among a handful of countries will continue to be the leading driver of uncertainty of helium supply and volatility”*, notes Bruin Point CEO, Frank Jacobs.

The shortage was resolved when the Qatar Helium II project came on-stream mid-2013. The Qatar project was quickly followed by increased production capacity in Algeria and additional sales of stored helium in the US. In combination, these events briefly flipped the market into oversupply; however clear growth trends are evident when assessing the helium market over that period. The average price of helium, for example, grew from \$84 in 2013 to \$119 in 2017<sup>2</sup>.

Demand trends have remained strong despite uncertainty and new applications promise to elevate them further. Additional supply deficits may raise the price and strangle the market. Amid geopolitical uncertainty in major helium producing countries, Bruin Point feels stable helium assets in North America have the chance to thrive in the face of growing demand. *“New helium discoveries with production potential in North America, can offer a reliable source of helium to meet the demand”*, said Jacobs.

### **Present and Future Market**

The Helium Stewardship Act of 2013 requires that by September 30, 2021, US federal helium reserves must be sold and the storage facilities closed. It is expected that auctions will only be open to federal buyers from as early as 2019. The Federal Helium Reserve currently caters to approximately 25-30% of the global helium demand, another 25-30% is provided by the private sector in the US, and the remainder by international sources<sup>iii</sup>.

In June 2017, helium supply from the world’s second largest producer, Qatar, temporarily halted. Saudi Arabia and other countries blocked exports from the nation over accusations of support for terrorism in the region. The incident led to brief global shortages that highlighted the fragility of helium supply and underlined the need for more reliable sources of the gas.

Despite federal helium supply, the US recently began importing helium in the face of reducing private production and growing demand. *“US reserves, meanwhile, are dwindling due to the lack of helium production from its oil and gas fields and the country had already started importing helium from Qatar<sup>2</sup>.”*

Due to the Qatar crisis, gas futures spiked nearly 4% after the crisis this summer, sending a warning to the US ahead of the end of federal helium supply. The impending shortfall from cessation of BLM helium auctions is a worry for the US and other markets dependant on helium. For many applications there is simply no substitute for helium.

In July 2017 the US introduced H.R. 3279, the Helium Extraction Act of 2017. The bill amends the Mineral Leasing Act to allow helium extraction from gas on federal lands under the same terms as gas and oil.

Despite these hurdles, appetite for helium has continued to grow. The unique qualities of the gas make it irreplaceable for a wide variety of applications. Growing demand from healthcare and nuclear has been accompanied by increased demand from the electronics and aviation sectors. In the US and other developed markets, the use of helium in R&D has also grown. Analyst forecasts for helium demand range from 6.4% CAGR<sup>1</sup>, to 9% CAGR<sup>iv</sup>, over the next decade, both well above supply.

Helium is an increasingly important resource in North America and around the world. As the end of the BLM supply approaches, the helium sector will be more wary of the consequences of another crisis in Qatar, new situations in Algeria, Russia or other big producing nations.

*“BLM reserves are reducing but significant North American production has not come online. The US recently began importing helium for the first time and demand is expected to grow further”*, highlights David Sidoo, Chairman of Bruin Point. *“The US remains the heaviest user of helium worldwide and the incentives to discover new domestic helium reserves remain strong”*, he concluded.

For more information about Bruin Point, please visit <http://www.bruinpoint.com/>.

### **About Bruin Point Helium**

Bruin Point Helium Corp., headquartered in British Columbia, Canada, is exploring for helium on its acreage, covering 17,767 acres (100% Working Interest (WI) and 87.5% Net Revenue Interest (NRI) in all 12 leases) in southeast Carbon County, Utah, with planned exploration well(s) due in 2018. Holding potentially significant

helium resources, Bruin Point Helium is poised to capture the opportunity offered by rising helium prices due to growing demand for helium globally being driven by new technology-based applications. Bruin Point Helium Corp. is listed on the TSX Venture Exchange.

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## References:

<sup>i</sup> IHS Chemical Economics Handbook - Helium 2016:  
<https://www.ihs.com/products/helium-chemical-economics-handbook.html>

<sup>ii</sup> USGS - Helium Mineral Commodity Summary 2017: <https://minerals.usgs.gov/minerals/pubs/commodity/helium/mcs-2017-heliu.pdf>

<sup>iii</sup> Federal Helium Reserve and the Helium Privatization Act 1996: <https://www.nap.edu/read/9860/chapter/5>

<sup>iv</sup> Technavio - Global Helium Market report 2016-2020:  
<https://www.technavio.com/report/global-industrial-gases-helium-market>