

Introduction

This report (this “Report”) is produced by Aureus Energy Services Inc. (“Aureus”, the “Company”, “our” or “we”) pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the financial year ending December 31, 2023 (the “Reporting Period”). This Report sets out the steps taken to prevent and reduce the risk that forced labour or child labour (each as defined in the Act and hereinafter together referred to as “modern slavery”) is used at any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Company.

Steps to prevent or reduce risks of modern slavery

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We expect the same from our business partners. During the Reporting Period, Aureus took the following steps which the Company believes will help to prevent and reduce the risk of modern slavery in our business and supply chains:

- Reviewed our Code of Business Conduct and Ethics (the “Code”) which sets standards of professional and ethical conduct from our directors, officers and employees. The Code establishes that the Company’s business practices aspire to be compatible with the economic and social priorities of each location and jurisdiction in which we operate and although customs and standards of ethics may vary in different business environments. The Code also emphasizes honesty and integrity in our business activity.
- Required employees to acknowledge and sign off on the Code and offered training on the Code.

The Company intends to continue to evaluate our reporting processes, ensure that our reporting meets statutory requirements and assess our policies, due diligence activities and overall business in respect of supply chain matters.

Our structure and activities

Aureus is a provider of water management solutions primarily to the oil and gas industry across North America. Aureus’ proprietary water recycling/treating technology and our unique SCADA technology within our heating and water transfer service lines contribute to safe and efficient operations. By implementing Aureus’ technologies, clients can improve water conservation while reducing manpower requirements, generating less fuel usage and less waste, and ultimately minimize their environmental footprint.

Aureus is incorporated under the *Business Corporations Act* (Alberta) and has a wholly-owned subsidiary, Aureus Energy Services U.S. Inc (“Aureus US”), incorporated under General Corporation Law in the state of Delaware, including a wholly-owned limited liability company, Aureus Scottsdale Recycle Hub LLC. Aureus’ head office is located in Calgary, Alberta and the Company has regional locations in Grande Prairie, Alberta, servicing Northern Alberta and Northeastern British Columbia; Blackfalds, Alberta, servicing central Alberta; and Midland, Texas, servicing the Permian and Delaware regions in Texas and New Mexico. Aureus US has its head office in Dallas, Texas.

Consistent with the Company’s corporate values and commitment to providing responsible solutions, Aureus and our employees regularly integrate environmental, social, and governance (“ESG”) principles across the Company’s business, which is believed to provide a holistic approach to assessing risk and identifying opportunities.

Our supply chain

Aureus’ operations are primarily conducted within western Canada and the Permian and Delaware regions in Texas and New Mexico. Our immediate supply chain consists primarily of Canada and US-based third-party providers of goods and services. Such third-party providers include, without limitation, contractors, equipment rental companies, fuel distributors, accommodation and lodging providers, maintenance providers and third-party mechanics, chemical providers, landlords for leased real property, software and information technology providers, and insurance and professional services firms. Aureus also procures equipment and skilled labour in the construction, fabrication and installation of long-term equipment and facilities. Further, certain goods and services (for example, parts and materials) may be sourced, directly or indirectly, from other countries.

Policies and due diligence process

Aureus is committed to embedding human rights considerations into its policies, governance framework and decision making. As such, Aureus sees the management of ESG risks and opportunities as an inherent part of Aureus' success as a business. Aureus regularly tracks the potential sustainability-related risks that are shaping its operating environment and develops and implements strategies to progress its performance across sustainability areas. Aureus reports on its corporate social responsibility performance and its ESG practices in its annual ESG report, which includes its ESG plan and goals for 2024, as well as the Company's yearly sustainability performance.

The Code applies to Aureus' employees at every level, in every country and from every Aureus legal entity. It addresses ethical conduct in our work environment, business practices and relationships with external stakeholders. The principles set out in the Code reflect Aureus' belief that honesty and integrity foster a positive work environment that strengthens stakeholder confidence. The Code details the standards of behavior expected from everyone to whom it applies in their daily activities and in dealings with others. It also outlines the key responsibilities of Aureus management, including providing a model of high standards of ethical conduct and creating a work environment that reflects both the content and the spirit of the Code.

Modern slavery risks

Aureus works with suppliers and service providers that the Company believes are reputable, and we believe our operations are conducted in accordance with Canadian provincial and federal laws. Aureus has assessed the inherent risk of modern slavery in its immediate supply chain to be low as we do not operate in high-risk sectors such as retail trade, mining, or manufacturing. We also do not operate in high-risk geographical areas such as conflict-affected zones, countries with a large proportion of migrant workers, or economic processing zones. However, a risk of modern slavery may exist in the Company's secondary or tertiary supply chain related to chemicals and materials potentially imported from developing countries to fabricate goods purchased locally by Aureus. Further, we employ certain U.S.-based contractors, which may be considered a higher risk population.

Remediation and effectiveness

Aureus has not identified any instances of modern slavery in its supply chain, therefore no remediation measures have been required to Aureus' knowledge.

Employee training

Aureus has a formal training and evaluation program which tracks compliance on an employee-by-employee basis. Employees are required to complete training on the Code, which the Company believes reinforces their ethical responsibilities. Additionally, the Company has held meetings internally to raise awareness of the Act, to spread awareness on the potential areas of risk in our supply chain and to reiterate our commitment to act in an ethical manner.

Assessment of effectiveness

Aureus plans to continue to assess the effectiveness of its policies and monitoring of modern slavery by investigating any complaints received. In the event Aureus receives a modern slavery-related complaint, Aureus may determine that measures should be taken to remediate such modern slavery and/or improvements should be made to prevent further modern slavery from occurring in the future. We intend to monitor and implement best practices within our sector both to mitigate the risks of modern slavery and to develop systems to assess our effectiveness in doing so.

Approval and attestation

This Report was approved by the Company's Board of Directors on May 28, 2024, pursuant to paragraph 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in this Report is true, accurate and complete in all material

respects for the purposes of the Act, for the Reporting Period. On behalf of the Company, and not in my personal capacity, I make the attestation in accordance with the requirements of the Act.

[signed] "Jason Tocheniuk"

Jason Tocheniuk

Chief Executive Officer and Director

May 27, 2024

I have the authority to bind Aureus Energy Services Inc.

Cautionary Note Regarding Forward-Looking Information

This Report contains certain statements that may constitute forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements may be identified by words like “intends”, “may”, “could”, “should”, “would”, “plans”, “will”, “seek”, “expects” and similar expressions. This information includes, but is not limited to, the Company’s intentions to continue to evaluate and assess our processes with respect to modern slavery, including our reporting process, due diligence activities and policies. Such statements reflect the current views of management of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct.

The forward-looking statements contained in this Report are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.