

Canex Metals Inc.

ANNUAL REPORT

Fighting Against Forced Labour and Child Labour in Supply Chains Act (Year Ended September 30, 2023)

This report (“Report”) is produced by Canex Metals Inc. (“Canex” or the “Corporation” or “our” or “we”) for the financial year ending September 30, 2023 (the “Reporting Period”) and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of our business and in our supply chain.

This report constitutes the first report prepared by the Corporation pursuant to Canada’s new *Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023)* (the Act). This is a joint report made under Section 11 of the Act on behalf of the Corporation and its 100% owned US subsidiary, Canexco Inc., (collectively, the “**Reporting Entities**”).

In this Report, unless otherwise stated, references to “Canex”, “Canexco”, the “Corporation”, “we”, “us”, “our” and similar expressions include the Reporting Entities.

1. INTRODUCTION

The Corporation recognizes that forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. The Corporation endeavours to adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in its activities and supply chains.

This report sets out the steps the Reporting Entities have taken to assess the risk that forced labour or child labour is used at any step in its activities or those of third parties supplying the Corporation, and by such assessment, to prevent or reduce such risks, as applicable.

2. STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Canex is a small, publicly traded Canadian mineral exploration Corporation engaged in the business of mineral exploration and development in Canada and the United States. The address of its primary office is Suite 1620, 734 - 7th Avenue SW, Calgary, Alberta, Canada, T2P 3P8. The Corporation’s common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “CANX” and the Corporation is continued under the laws of the Province of Alberta.

Since inception, the efforts of the Corporation have been devoted to the acquisition, exploration and development of mineral properties. To date the Corporation has not received significant revenue from mining operations and has not determined whether these mineral properties are economically recoverable. The Corporation is currently exploring on one gold and one gold/copper project in northern BC and one in Gold Basin, Arizona.

Our supply chain encompasses the procurement of goods and services required for exploration, including but not limited to:

- Mechanicalized equipment, such as dozers and hand-held jackhammers and diamond saws
- Drilling
- Fuel
- Logistics and transportation services
- Reclamation activities
- Project Support Personnel
- Administrative and support services

Neither of the Reporting Entities have employees and work is carried out by independent consultants.

3. POLICIES AND DUE DILIGENCE PROCESSES

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We want our contractors, consultants, officers, and board of directors to be fully engaged with our Corporation and motivated to give their all and we want their contribution to be recognized and rewarded. We will therefore not tolerate forced, bonded or compulsory labour, human trafficking, and other kinds of slavery within our own operations or within our supply chain and we are committed to taking appropriate steps to ensure that everyone who works for the Corporation benefits from a working environment in which their fundamental rights and freedoms are respected.

Our approach to preventing modern slavery forms part of our wider corporate responsibilities. We adopt procedures that contribute to ensuring modern slavery does not occur in our business or supply chains and we expect organizations with whom we do business to adopt and enforce policies to comply with the relevant legislation.

In general terms, we took the following steps to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- In 2006, adopted a Code of Conduct and Ethics;
- In 2006, adopted a Whistleblower Policy, to allow for instances of non-compliance with the Act to be raised;

- conducted a preliminary initial internal assessment of the risks of forced labour and/or child labour in our supply chains to develop and identify potential future risks.

All directors, officers and consultants are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Corporation.

All Canex directors, officers and consultants are expected to:

- act honestly and fairly in all their business dealings;
- prevent bribery by persons associated with the Corporation, to foster a culture in which bribery is never acceptable and commit to zero tolerance towards bribery;
- prevent the use of forced labour or child labour whether in the Corporation's own activities, or in the activities of any entities it controls or those of its direct or indirect suppliers;
- comply with the law and respect the local communities wherever the Corporation operates;
- be accurate, diligent and professional in all activities and in preparing all documents; and
- work together to promote a safe, ethical and professional workplace.

The Corporation performs due diligence on each contractor it engages and will, in the future, add to its due diligence investigations to assess the potential for risks of forced labour and child labour in engagement of the contractor.

4. FORCED LABOUR AND CHILD LABOUR RISKS

The Corporation has assessed that, in respect of the mineral exploration industry, the greatest risks for forced labour and child labour are linked with operations that occur in disadvantaged areas in the world and in circumstances where the following circumstances could arise:

- Dangerous or undesirable work
- Presence of migrant workers
- Presence of labour intermediaries
- Offshore production and sourcing of materials
- Long, complex, or non-transparent supply chains
- Presence of child labour
- Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards.

As the Corporation's operations are in Canada and the United States and based on the Corporation's understanding of its suppliers and contractors, the Corporation is of the opinion that the foregoing circumstances would be extremely unlikely in its business or activities, leading to little or no risk of forced labour and child labour.

5. REMEDIATION MEASURES

As the Corporation has assessed that its activities and supply chains do not carry a risk of forced labour or child labour being used, the question of remediation is not applicable to the Corporation.

6. REMEDIATION OF LOSS OF INCOME

As the Corporation has assessed that its activities and supply chains do not carry a risk of forced labour or child labour being used, the Corporation has undertaken no steps to eliminate forced labour or child labour risks. This section is therefore not applicable to the Corporation.

7. TRAINING

As the Corporation has no employees and has assessed that its activities and supply chains do not carry a risk of forced labour or child labour being used. It has therefore not conducted any training with respect to forced labour and child labour.

8. ASSESSING EFFECTIVENESS

As the Corporation has assessed that its activities and supply chains do not carry a risk of forced labour or child labour being used, the Corporation has undertaken no steps to eliminate forced labour or child labour risks. This section is therefore not applicable to the Corporation.

9. APPROVAL

This Report was approved by the Corporation's Board of Directors on May 27, 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada.

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 Corporation. Based on my knowledge, and having exercised reasonable 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 year listed above.

“Dr. Shane Ebert”

Dr. Shane Ebert, President

May 27, 2024

I have the authority to bind Canex Metals Inc.