

PETROX RESOURCES CORP.
(the “Corporation” or “Petrox”)

ANNUAL REPORT

Fighting Against Forced Labour and Child Labour in Supply Chains Act
(Year Ended December 31, 2024)

The following information, dated as of April 30, 2025, is provided in accordance with Part 2 of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ended December 31, 2024.

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 Corporation has 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

The Corporation is a small, publicly traded Canadian junior oil and gas company engaged in the exploration and development of oil and natural gas resources in the Western Canadian Basin. The Corporation currently has a production property in Fletwode, Saskatchewan that produces approximately 16 bbls/d. The Corporation is a corporation incorporated under the laws of the Province of Alberta. It has no subsidiaries.

Petrox has six producing wells and one water disposal well. The pumps for the wells are running continuously. The oil from the wells is pumped through oil pipeline to the storage tank at a battery station.

Petrox has a small operation and operates through a handful of independent contractors. Petrox’s whole operation consists of oil production from its producing wells, the transport of oil to a commodities marketer, and the subsequent sale of the oil by the marketer.

The Corporation operates its oil producing property through an independent third-party contractor (the “Manager”), which is a private company with only one employee. The Manager has been managing operations for Petrox for over 13 years. Any additional contractors required by Petrox for its operations from time to time, are sourced by the Manager.

Oil transport is performed by a third-party trucking company staffed by licensed operators. From observation, all drivers are local Canadians from Saskatchewan or Manitoba.

Petrox’s oil marketer is a major international company dealing with commodities.

3. POLICIES AND DUE DILIGENCE PROCESSES

The Corporation has in place a Corporate Governance Policy that includes a code of conduct. As a matter of policy, directors and management are expected to conduct themselves with the highest ethical standards. All directors, executives and staff are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of Petrox.

All Petrox directors, executives and staff are expected to:

- act honestly and fairly in all their business dealings;
- prevent bribery by persons associated with Petrox, 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 Petrox'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 Petrox 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 oil and gas 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 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 on 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 April 30, 2025 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.petroxresourcescorp.com.

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 Company. 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.



ALAN CHAN, Chief Financial Officer
April 30, 2025

I have the authority to bind Petrox Resources Corp.