



Saguaro Resources Ltd.

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2023 Saguaro Resources Ltd. Modern Slavery Report

Saguaro Resources Ltd. ("we", "our", "Saguaro" or the "Corporation") has created this report to meet our requirements pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Modern Slavery Act").

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as "modern slavery") are violations of fundamental human rights and are occurring across the globe. As a Canadian oil and gas company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards, which includes no use of modern slavery in our business or supply chains.

The Corporation is subject to the reporting requirements of the Modern Slavery Act. This report covers the Corporation's activities during our previous financial year, being from January 1, 2023 to December 31, 2023.

The Corporation takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

Steps Taken During 2023

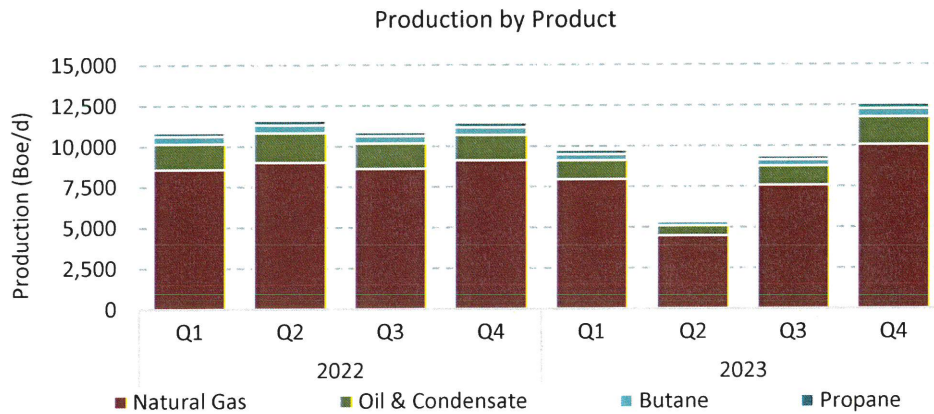
The Corporation first became aware of the Modern Slavery Act in 2024 after it came into force and subsequently engaged our legal counsel to assist in navigating the new reporting regime. As a result of the timing of becoming aware of the new reporting requirements, we did not take any steps in 2023 in relation to reducing the risks of modern slavery occurring in the Corporation's supply chain; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We intend to continue to evaluate our reporting processes to ensure that our reporting with respect to modern slavery meets the statutory requirements.

Structure, Activities and Supply Chains

- **Structure:**
Saguaro is a privately held Canadian company incorporated under the *Business Corporations Act* (Alberta) and is headquartered in Calgary, Alberta, Canada. On December 31, 2023, Saguaro had 8 Directors, employed 12 employees and had retained 2 consultants. Saguaro has no subsidiaries.

- **Operations:**

Saguaro is engaged in the development, production and sale of natural gas and natural gas liquids. Our property is located approximately 150 km north west of Fort St. John, British Columbia. Saguaro holds a 50% non-operated working interest in this property.

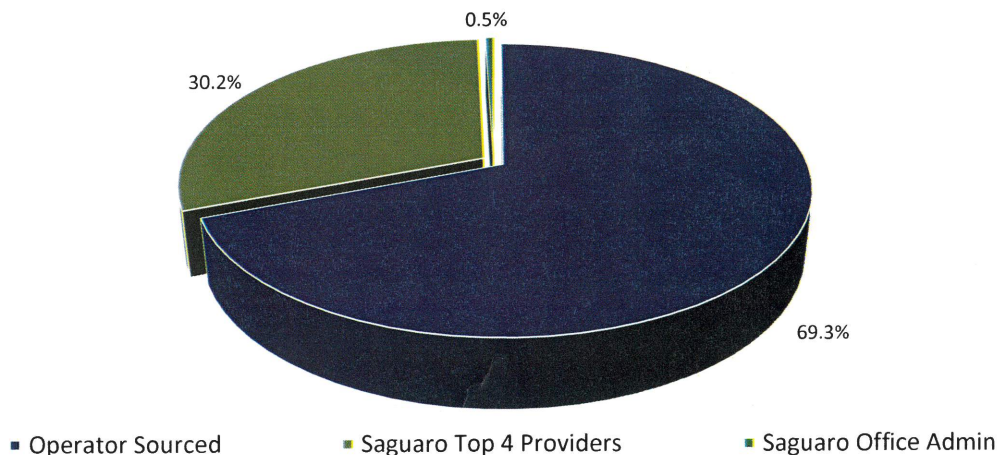


- **Supply chains:**

As a non-operator, the majority of the materials and services required for our operations are sourced by the operator. The operator is a publicly listed, independent Canadian oil and gas exploration and production company which is also subject to the reporting requirements of the Modern Slavery Act.

Saguaro also directly works with four service providers related to the transportation and processing of our natural gas and natural gas liquids products and various suppliers related to office administration. These service providers are located in Canada and are subject to Canadian laws and regulations.

Supplier Category by Spend 2023



Additional information regarding the operations of the Corporation can be found on our website at www.saguaroresources.com

Policies and Due Diligence

Policies

The Corporation has several policies in place that reflect our values and set clear expectations for our directors, officers and employees and those consultants and contractors with whom we engage.

Below, we have provided an overview of the relevant policies that we currently have in place:

- **Code of Business Conduct and Ethics:**
We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Saguaro's directors, officers, employees, consultants and contractors should always act lawfully, ethically and in the best interests of Saguaro.
- **Whistleblower Policy:**
Saguaro's Whistleblower Policy provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistleblower Policy is intended to encourage and enable employees to raise concerns within Saguaro rather than overlooking a problem or seeking a resolution for the problem outside Saguaro. The Whistleblower Policy provides a method for directors, officers, employees, consultants and contractors of Saguaro as well as other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding Saguaro's business conduct.

In addition to the above, we intend to regularly evaluate our approach with respect to modern slavery to ensure the effectiveness of our methodology, including amending existing policies and implementing new policies, as necessary, to mitigate the risks of modern slavery from occurring in our business or operations to the extent determined necessary.

Due Diligence

Given the timing of the implementation of the Modern Slavery Act, the Corporation has not historically undertaken any steps to conduct due diligence relating to mitigating the risks of modern slavery occurring in relation to our business or operations; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We may in the future consider implementing additional procedures to ensure we are not unknowingly engaged in business with any entities involved in modern slavery.

Activity and Supply Chain Risks

The Corporation is not aware of any high-risk exposure to modern slavery associated with the Corporation's business or supply chains.

Remediation Measures

We are not aware of the existence of modern slavery in our business and the supply chains that support our operations and as such, we have not taken any measures to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of the Corporation's actions.

Employee Training

The Corporation has not yet implemented employee training on modern slavery, however, may consider doing so in the future.

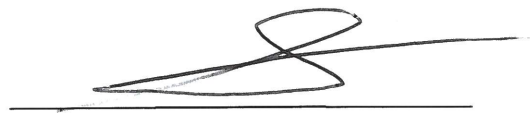
Assessment of Effectiveness

For the reasons previously outlined, the Corporation has not yet implemented any policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Corporation's business or supply chains.

Approval and Attestation of the Report

This report was approved by the Corporation's Board of Directors on May 30, 2024 pursuant to paragraph 11(4)(a) of the Modern Slavery Act and will be filed with the Minister of Public Safety and Emergency Preparedness.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest, on behalf of the Corporation, and with no personal liability, that the information in this report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.

A handwritten signature in black ink, appearing to be 'Stacy Knull', written over a horizontal line.

Stacy Knull
President & Chief Executive Officer, Director
May 30, 2024

I have the authority to bind the Corporation.