

## HELIUM EVOLUTION INCORPORATED

### Fighting Against Forced Labour and Child Labour in Supply Chains Act

#### 2024 Annual Report

May 20, 2025

#### Introduction

This report is made by Helium Evolution Incorporated (the "**Corporation**", "**Helium**", "**we**", "**our**", or "**us**") for the financial year ending December 31, 2024 (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 the production of goods in Canada or elsewhere by the Corporation or of goods imported into Canada by the Corporation, as applicable (the "**Report**"). This Report constitutes the first report prepared by Helium pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

#### Steps to prevent and reduce risks of forced labour and child labour

During the Reporting Period, the Corporation engaged with external counsel to provide guidance on the Act in order to prevent and reduce the risk of forced labour or child labour in its operations and supply chain.

The guidance was in relation to specific parts of the Corporation's activities and the focus of the guidance was threefold. First, it aimed to provide a clear understanding of the Corporation's obligations under the Act. This included both legal and ethical responsibilities that the Corporation has towards its employees and the communities in which it operates. Second, the guidance aimed to identify potential high-risk areas within the Corporation's operations and supply chain. Finally, the guidance aimed to equip the primary contact for the obligations under the Act, enabling them to apply their learnings in their respective role. In conclusion, the guidance served as a comprehensive tool to inform the Corporation about its obligations, identify potential risks, and empower its primary contact to effectively apply their knowledge in their role, thereby fostering a culture of compliance and ethical conduct within the organization.

#### Helium's structure, activities, and supply chains

Helium is a corporation formed following the amalgamation of a private company of the same name being Helium Evolution Incorporated ("**Helium Evolution Private**") and Duckhorn Ventures Ltd. ("**Duckhorn**"). Helium Evolution Private was incorporated on January 14, 2021 under the *Business Corporations Act* (Alberta). Duckhorn was incorporated under the *Business Corporations Act* (British Columbia) on March 25, 2019.

On March 16, 2022, Helium Evolution Private and Duckhorn entered into a business combination agreement resulting in the reverse takeover of Duckhorn by Helium Evolution Private, including a change of control of Duckhorn. Following completion of the transaction, Helium Evolution Private shareholders held approximately 96% of the outstanding shares of the Corporation and the board of directors and key management of the Corporation are substantially the same as Helium Evolution Private.

As a result, the transaction has been accounted for as a reverse takeover with Helium Evolution Private being the acquirer for accounting purposes. Helium Evolution Private was the continuing entity. During the year ended December 31, 2022, all subsidiaries were amalgamated with Helium.

Helium is focused on acquiring, exploring for and developing helium resources in the Province of Saskatchewan, specifically south-central Saskatchewan, which is part of the Western Canadian Sedimentary Basin and the Saskatchewan Helium Fairway.

Since March 30, 2022, the Corporation's shares trade on the TSX Venture Exchange under the symbol "HEVI", categorizing the Corporation as an "entity" pursuant to the Act. The Corporation is required to submit this Report pursuant to subsection 9(a) of the Act, as the Corporation is involved in the producing, selling or distribution of goods in Canada or elsewhere.

### **Helium's policies and due diligence processes in relation to forced labour and child labour**

Helium recognizes that forced labour, human trafficking, and child labour are critical issues, and stands strongly against this exploitation. Helium also believes that the risks of modern slavery and human trafficking practices within its business are very low. Helium's business is not built upon the type of labor most vulnerable to such exploitation. As a corporation specializing in the exploration of helium within the Province of Saskatchewan, Helium's employees are comprised of technical tradespeople, professionals with proven expertise in the Western Canadian Sedimentary Basin, and other skilled service professionals.

Helium is committed to a clear framework for ethical business practices. By committing to minimizing the environmental impact of our operations, we can help prevent exploitative labour practices. Helium's choice to operate in Canada, a jurisdiction known for its stability, safety, and environmental responsibility, reinforces our commitment to prevent forced labour.

### **Risks of forced labour and child labour in our operations and supply chains**

Helium considers the risk of forced labour occurring within its operations to be low for the following reasons:

- All employees are hired in accordance with the laws and regulations in the jurisdiction where we operate.
- Helium benchmarks all roles against remuneration to similar positions.
- All employees have the freedom to join a trade union or other association.

Helium also believes that the risks of modern slavery and human trafficking violations within its supply chain are very low. Although Helium's vendors operate independently and in different industries, we recognize our role in the supply chain and appreciate that their actions can impact our reputation. As such, we strive to select suppliers that share our values and demonstrate a commitment to the highest professional standards and ethical conduct in their business dealings.

The nature of Helium's business is such that our material supply chain consists primarily of professional services, farmout agreements with other entities operating in Canada, drilling contractors and oilfield equipment suppliers.

Helium does not contract with entities where the risks of modern slavery and human trafficking are relatively high. Consequently, we consider our supply chain to be low risk with regards to such relationships and do not consider any further action to be necessary to mitigate the risk of modern slavery in the supply chain.

We have not identified any areas requiring action with regard to such relationships beyond our regular due diligence processes, and we are committed to taking all appropriate steps to mitigate the risk of slavery or human trafficking taking place in our supply chain.

### **Helium's approach to remediation**

As Helium has assessed that our activities and supply chains do not carry a risk of forced labour or child labour being used, the question of remediation and remediation of loss of income is not applicable.

### **Employee training**

During the Reporting Period, external counsel provided information and legal guidance to those whose roles within the Corporation required such understanding. Given that the risk of forced labour and child labour is low, the Corporation has not provided mandatory training for its employees or to those whose positions did not require a more comprehensive understanding of the Act.

### **Assessing effectiveness**

Due to the very low risk, the Corporation did not take any actions to assess their effectiveness in preventing and reducing risks of forced labour and child labour in their activities and supply chains.

### **Consultation and approval**

In accordance with the requirements of the Act, and in particular section 11(4)(a) thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind the Corporation.



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Name: Greg Robb

Title: Director, President & Chief Executive Officer

Date: May 20, 2025


# Fighting Against Forced Labour and Child Labour in Supply Chains Act - 2024 Annual Report (v1 - to bod)

Final Audit Report

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