

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: ESI Energy Services Inc. (the "Issuer").

Trading Symbol: OPI

Number of Outstanding Listed Securities: 51,667,459

Date: October 2, 2020

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

ESI is a pipeline equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona. The Company currently operates in most provinces in western Canada as well as in the United States of America. The Company, through its operating subsidiaries, ESI Pipeline Services, Inc. ("ESIPSI") and ESI Energy Services (Australia) Pty Ltd., supplies (rentals and sales) backfill separation machines ("Padding Machines") to mainline pipeline contractors and utility contractors as well as oilfield pipeline and construction contractors.

See attached press release.

2. Provide a general overview and discussion of the activities of management.

Management remains focused on growing the business through internally generated growth opportunities.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Engineering team is in the late stages of designing a new light duty version of the existing Micro-padder attachment that will work with a wider range of compact track loaders and appeal to a broader sales market.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services have been discontinued in the preceding month.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Company has entered into a licensing agreement with Global Pipeline Equipment Pty Ltd in Australia to sell, rent, manufacture and otherwise promote their line of Vacuum lift equipment in the North American market for a period of three years. Global Pipeline Equipment Pty Ltd is not a related party to the Company.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No new contracts or agreements were entered into or terminated in the preceding month.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There have been no acquisitions or dispositions of assets by the Issuer which were outside of the ordinary course of business which occurred during the preceding month.

8. Describe the acquisition of new customers or loss of customers.

There has been no acquisition or loss of major customers during the preceding month.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

The Company has entered into a licensing agreement with Global Pipeline Equipment Pty Ltd in Australia as described in item 5.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employees hired and 2 employees terminated in the month of September.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There have been no legal proceedings to which the Issuer became a party during the preceding month.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer has not incurred or repaid any indebtedness other than normal repayments of outstanding debt in the ordinary course (repayments of existing outstanding loans) of its business during the preceding month.

14. Provide details of any securities issued and options or warrants granted.

No new securities, options or warrants were granted during the preceding month.

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The recent Covid-19 pandemic is likely to have a negative impact on our business and the global economy for the next 3 to 4 months.

### **Certificate of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: October 2, 2020

Priyanka Bambaranda

signed, "Priyanka Bambaranda"

Signature

Chief Financial Officer

<b><i>Issuer Details</i></b> ESI ENERGY SERVICES INC.	For Month End 20/09/30	Date of Report YY/MM/DD 20/10/02
Issuer Address  500, 727 7 <sup>th</sup> Ave SW		
City/Province/Postal Code  Calgary, AB	Issuer Fax No. (587)-355-6522	Issuer Telephone No. (403) 205 7179
Contact Name Priyanka Bambaranda	Contact Position CFO	Contact Telephone No. (403) 205 7179
Contact Email Address <a href="mailto:priyanka.bambaranda@ozzies.com">priyanka.bambaranda@ozzies.com</a>	Web Site Address <a href="http://www.energyservicesinc.com">www.energyservicesinc.com</a>	



## NEWS RELEASE

### ESI ENERGY SERVICES INC.

#### CONTROLLING SHAREHOLDER CHANGE AND INTENTIONS

**Calgary, Alberta, September 1, 2020** – ESI Energy Services Inc. ("**ESI**") (CSE:OPI) announces that three limited partnerships managed by Yorktown Partners LLC ("**Yorktown**") have entered into an agreement for the transfer of 46,087,215 common shares of ESI to Battery Mineral Resources Corp. ("**BMR**") in exchange for common shares of BMR. The ESI shares to be transferred are 89.2% of the total number of ESI common shares.

ESI and BMR are parties to a Process Facility and Cobalt Supply Agreement dated May 17, 2018 for BMR's cobalt-focused mineral exploration claims located in Ontario.

BMR is 70% owned by Weston Energy, LLC and Weston Energy II LLC. One of the Yorktown limited partnerships that owns a portion of the ESI shares being transferred to BMR is the controlling shareholder of both Weston entities. The result of the share transfers will be that such Yorktown limited partnership will continue to indirectly control ESI. The share transfer is anticipated to close in the next few days.

The joint Yorktown and BMR announcement of the transaction stated that for purposes of the share transfers, each BMR share issued for an ESI share will have an ascribed value of CAD \$0.65. Based on that ascribed value, the consideration to be paid for the ESI shares transferred to BMR by the Yorktown entities will be CAD \$19,500,000, which implies a sale price for each ESI share of CAD \$0.42.

Yorktown and BMR also stated that the transfers of the ESI shares from the Yorktown entities to BMR are to be undertaken in connection with an effort on the part of the Yorktown entities to wind down their investments in ESI and to provide BMR with potential access to additional financial resources to support further exploration and development of BMR's existing mining properties and BMR's participation in other mining-related opportunities (through the sale of the ESI Shares now held by BMR, for example). Following any sale of the ESI Shares held by BMR, the Yorktown entities anticipate that any directors of ESI who are associated with the Yorktown entities will resign as directors of ESI.

#### **About ESI**

The outstanding common shares of ESI are listed on the Canadian Securities Exchange under the stock symbol "OPI". ESI is a pipeline and renewables equipment rental and sales company with principal operations in Leduc, Alberta and Phoenix, Arizona. ESI, together with its operating subsidiaries, ESI Pipeline Services, Inc. and ESI Energy Services (Australia) Pty Ltd., supplies (rents and sells) backfill separation machines, called padding machines, to mainline pipeline contractors, renewables and utility construction contractors, as well as oilfield pipeline and construction contractors. The head office of ESI is located at Suite 500 727 - 7th Avenue S.W., Calgary, Alberta T2P 0Z5.

#### **Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements can be identified by the use of words such as "are expected", "is forecast", "is targeted", "approximately" or variations of such words, and phrases or statements that certain actions, events or

results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

Forward-looking statements in this news release include, but are not limited to: statements concerning the closing of the share transfer, the continuing indirect control of ESI by Yorktown entities, the ascribed value of the ESI shares, the intentions of Yorktown and BMR regarding the investment in ESI and the potential resignation of ESI directors who are associated with Yorktown.

Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such statements are made. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual events to be materially different from those expressed or implied by the forward-looking statements.

**Contact:**

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