



ANNUAL REPORT ON FORCED LABOUR AND CHILD LABOUR For the year ended December 31, 2023

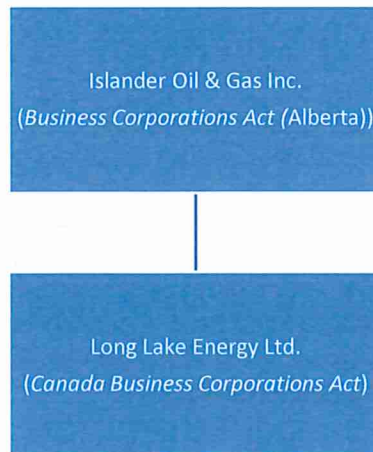
This joint report (the “**Report**”) is made by Islander Oil & Gas Inc. (the “**Corporation**”) and Long Lake Energy Ltd. (“**Long Lake**” and, together with the Corporation collectively, “**Islander**”), pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* (the “**Act**”) and outlines the actions Islander has taken during the fiscal year ending December 31, 2023 to prevent and reduce the risk of Forced Labour and Child Labour (each as defined in the Act and together referred to as “**Modern Slavery**”) in our business and supply chains. Islander is committed to minimizing the risk of Modern Slavery in our business and supply chains.

The use of the words “we”, “us” and “our” refers to Islander. This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should review the disclaimers at the end of this Report.

Structure, activities and supply chain

The Corporation is a privately held Calgary-based heavy oil company, incorporated under the *Business Corporations Act (Alberta)*.

The following diagram illustrates the corporate structure of Islander as at December 31, 2023. Long Lake is directly wholly-owned by the Corporation. Islander and Long Lake are joint venture partners in the same Alberta property, with the Corporation being the operator.



As of December 31, 2023, Islander had fifteen (15) full-time employees, several part-time office consultants and approximately fifteen (15) field consultants, all based in Alberta.

Islander is focused on the development and production of high-quality, proven, low risk heavy oil assets in the Seal Lake area of northern Alberta, utilizing horizontal drilling technology. Islander generates 100% of its revenue from the production and sale of heavy oil. We pride ourselves on our commitment to our employees, partnerships with Metis and First Nations and our respect for the environment.



Islander conducts business with a limited number of suppliers and almost exclusively sources materials and services locally (within Alberta and Saskatchewan). In 2023, we engaged approximately 270 suppliers to provide goods and services to us, of which 98% were based in Alberta and Saskatchewan and all of which were based in Canada. A significant number of those suppliers are engaged pursuant to long-term agreements and with whom we have longstanding relationships based on shared values and a commitment to high ethical standards. Other supplier relationships are governed by standard purchase order terms and conditions. In most cases, our contracts contain provisions with respect to compliance with applicable law and our policies.

In 2023, limited supplier due diligence was conducted given the location of the suppliers in Western Canada, the specialized nature of the goods and services, the highly skilled characteristics of supplier employees and the long-term relationship with many of such suppliers. Due diligence conducted, among other things, included the collection of documents, including information from public databases and Workers' Compensation clearance and insurance documents. Notwithstanding that in our view the risk of Modern Slavery concerns in our supply chains is low given the foregoing factors and others, in 2024, Islander has begun utilizing supplier management software from 8am Solutions as a compliance management tool to enable Islander to undertake prequalification assessments of suppliers, which includes the review of health and safety documents and metrics, Workers' Compensation clearance, insurance and other compliance documents.

Policies and due diligence processes

Islander has various policies in place to ensure employees, consultants and suppliers conduct business with us in an ethical, legal and responsible manner. The following policies have been adopted by Islander to demonstrate our commitment to conducting business with integrity and a high level of ethical standards:

- Corporate Code of Conduct
- Health and Safety
- Whistleblower
- Harassment, Bullying and Workplace Violence Prevention
- Financial

Our Corporate Code of Conduct describes how Islander acts as an organization and it outlines our expectations for ethical, legal and responsible conduct of all directors, officers, employees and consultants of Islander. An annual review of this policy (and all policies) is required of all directors, officers, employees and consultants of Islander. Islander's policies set the expectation for a safe and respectful workplace for all employees, consultants and suppliers, free of discrimination, harassment and violence and with the freedom to report non-compliance with any laws and the ability to refuse unsafe work environments.

Compliance with our Health and Safety and Harassment, Bullying and Workplace Violence policies will ensure a safe work environment for our employees and contractors. Our Whistleblower policy provides a direct contact to our Board of Directors, to ensure any complaints, including those that may be related to Modern Slavery, are identified to the Board so that they may be addressed and remediated.

In addition to compliance with the Corporate Code of Conduct, in 2024 Islander intends to establish a supplier code of conduct policy and require compliance by all suppliers, including all existing suppliers. The policy will be updated and sent to all Islander suppliers on an annual basis and in relation to which such suppliers will be expected to annually certify compliance with applicable laws, regulations and policies for the activities they are involved with, including the policies of Islander.



All policies are reviewed annually and updated as required to ensure continued effectiveness.

Risks of Modern Slavery in operations and supply chain

The process of identifying the risks of forced labour or child labour being used in supply chains is ongoing. Initial analysis does not point to any material risk. Given that Islander's operations are solely in Alberta, the specialized nature of the goods and services, the highly skilled characteristics of supplier employees and the long-term relationship with many of such suppliers, we believe there is minimal risk of Modern Slavery occurring in our direct operations. We acknowledge that such risk may exist in the supply chains of some suppliers, however, we believe that the implementation of a prequalification assessment process facilitated by 8am Solutions, together with the abovementioned supplier code of conduct, will further reduce the risk that Islander's operations might contribute to Modern Slavery.

To facilitate a deeper understanding of the risk of Modern Slavery and our assessment and management of that risk, we engage on an ongoing basis with our external legal counsel, government and industry publications and associations and supply chain partners to understand our compliance obligations under the Act, industry initiatives and the approaches of our peers and competitors.

Remediation measures

At this moment, Islander is not aware of any risk or existence of Modern Slavery in our supply chain. As a result, as of December 31, 2023 we have not identified any circumstances requiring the remediation of Modern Slavery activity in our supply chains or the loss of income that results from measures to eliminate Modern Slavery.

Training

All employees and consultants must review and sign the Corporate Code of Conduct (and all other policies) with their supervisor when onboarding with Islander and annually thereafter, confirming their agreement to comply with the terms of the policies. Islander will provide training to all employees and consultants on the new supplier code of conduct policy, including ensuring that all of the vendors used understand their obligations pursuant to, and represent to Islander that they comply with, the Act. In 2024, training in the 8am Solutions compliance management tool has begun and included all employees and consultants who procure goods and services are included in that training. Islander's Code of Conduct will also be updated to specifically reference Modern Slavery.

Assessing effectiveness

After reviewing our existing policies, procedures and practices and our list of suppliers of materials and services, Islander believes our risk of Modern Slavery is low. We believe that our hiring, remuneration, retention and compliance initiatives encourage proper behaviour of our employees and consultants.

Islander will continue to assess and report on the risk of Modern Slavery in our operations and supply chains. We will work with our internal teams and our legal advisors to monitor the Act and its impact on Islander's operations.

Islander is committed to continuous improvement with respect to its operations and supply chain due diligence to reduce and prevent risks of Modern Slavery. During the next reporting period we intend to conduct the following activities to improve our understanding and management of Modern Slavery risks:

- Update our Code of Conduct to directly incorporate the reporting obligations of Modern Slavery;
- Include a supplier code of conduct in our supplier prequalification assessment process;



- Provide training to employees and consultants with respect to Modern Slavery
- Continuous review of vendor list to monitor for any purchases from high-risk jurisdictions, utilizing sources such as the Walk Free *2023 Global Slavery Index* or OECD *Due Diligence Guidance for Responsible Business Conduct*

Approval and attestation

This report has been approved by the Board of Directors of Islander Oil & Gas Inc., being the governing body of the entity that controls each entity included in this Report, in accordance with section 11(4)(b)(ii) of the Act and has been filed with the Minister of Public Safety and Emergency Preparedness. This Report is also available on our website at www.islanderoil.com.

In accordance with the Act's requirements and particularly section 11 thereof, I attest that I have reviewed the information in this Report. Based on my knowledge, and after exercising reasonable due 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 above-mentioned reporting year. In my capacity as the Chief Executive Officer and a director of Islander Oil & Gas Inc., and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

Matthew Janisch
Chief Executive Officer and Director
Date: May 31, 2024

I have the authority to bind Islander Oil & Gas Inc.

Disclaimers

Certain information in this Report may constitute forward-looking information within the meaning of applicable securities legislation. Specific forward-looking information in this Report includes, without limitation, statements relating to: the steps taken and intended to be taken to prevent and reduce risks of Modern Slavery; the adoption and implementation of policies in relation to Modern Slavery; training intended to be provided to employees in respect of Modern Slavery; the characteristics of Islander's supply chain; and other such matters. Forward-looking information may also include information regarding our respective future plans or objectives or other information that is not comprised of historical fact and includes statements that contain words such as "could", "should", "anticipate", "expect", "believe", "plan", "propose", "estimate", "intend", "project", "will", "may", "forecast", "outlook" and similar expressions suggesting future outcomes or events. Any such forward-looking information is based on information currently available to us and is based on assumptions we believe are appropriate in the circumstances.

However, such forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking information. These factors include but are not limited to: equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in laws and regulations as well as how such laws and regulations are



interpreted and enforced; political uncertainty; the existence of operating risks; volatility of oil and gas prices; oil and gas product supply and demand; and other factors, many of which are beyond our control. We caution readers not to place undue reliance on any such forward-looking information. Such information is current only as of the date on which it was made. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained in this Report.

