

To: Public
From: Peter Bell, CEO of Kermode Resources Ltd
Date: May 21, 2024
RE: Modern Slavery Act



In accordance with the requirements of the Act, and in particular section 11 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 herein.

On behalf of the Board of Directors

I have the authority to bind Kermode Resources Ltd.

A handwritten signature in black ink, appearing to read 'Peter Bell'.

Peter Newton Bell
CEO and Director
May 21, 2024

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1. Identifying information

1. *This report is for which of the following? (Required)

Entity

2. *Legal name of reporting entity or government institution (Required)

KERMODE RESOURCES LTD.

3. *Financial reporting year (Required)

2023

4. *Is this a revised version of a report already submitted this reporting year? (Required)

No

4.1 *If yes, identify the date the original report was submitted. (Required)

N/A

4.2 *Describe the changes made to the original report, including by listing the questions or sections that were revised (1,500 character limit). (Required)

N/A

5. For entities only: Business number(s) (if applicable):

892318155

6. For entities only: *Is this a joint report? (Required)

No

6.1 *If yes, identify the legal name of each entity covered by this report. (Required)

N/A

6.2 Identify the business number(s) of each entity covered by this report (if applicable).

N/A

7. For entities only: *Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction? (Required)

No

7.1 *If yes, indicate the applicable law(s). Select all that apply. (Required)

N/A

8. For entities only: *Which of the following categorizations applies to the entity? Select all that apply. (Required)

Listed on a stock exchange in Canada

9. For entities only: *Which of the following sectors or industries does the entity operate in?

Select all that apply. (Required)

Mining, quarrying, and oil and gas extraction

10. For entities only: *In which country is the entity headquartered or principally located?

(Required)

CANADA

10.1 If in Canada: *In which province or territory is the entity headquartered or principally located? (Required)

BRITISH COLUMBIA

11. For government institutions only: *Is this a report for a federal Crown corporation or a subsidiary of a federal Crown corporation? (Required)

N/A

11.1 *If yes, which of the following sectors or industries does the Crown corporation or subsidiary operate in? Select all that apply. (Required)

N/A

11.2 *If yes, in which province or territory is the Crown corporation or subsidiary headquartered or principally located? (Required)

N/A

2. Annual Report: Reporting for entities

1. **What steps has the entity taken in the previous financial year 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 entity or of goods imported into Canada by the entity? Select all that apply. (Required)*

- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing child protection policies and processes
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour

2. *Please provide additional information describing the steps taken (if applicable) (1,500 character limit).*

The scope and scale of the business activities of Kermode Resources Ltd. are narrowly focused on mining exploration activities with small teams of professional prospectors supported by corporate teams who maintain the ongoing requirements of being a publicly traded company that is listed on a stock exchange in Canada. Kermode's prospectors use basic tools like rock hammers and pickup trucks to hunt for metals like copper that are present in rocks at the surface of the earth at places that our crews can drive to from their homes. This strategy is explicitly designed by Kermode to ensure that we have a short supply chain and control risks in our ongoing operations. Kermode faces many different types of risks and one of the most important factors for success in mining exploration is to ensure that the people doing the prospecting work are experts at their work and invested in the business. Also, the same applies

to our corporate teams. These short and tight supply chains allow for high scrutiny over all aspects of our operations. We maintain high standards for our team members and the equipment they use. We prioritize opportunities in our local communities and construct deal terms to give large incentives to our partners.

3. **Which of the following accurately describes the entity's structure? (Required)*

Corporation

4. **Which of the following accurately describes the entity's activities? Select all that apply. (Required)*

Producing goods (including manufacturing, extracting, growing and processing)
in Canada

5. *Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).*

The structure of Kermode is a single corporate entity where the common shares are listed on a stock exchange in Canada. Kermode has senior officers including a CEO, CFO, and Corporate Secretary. The Board of Directors has four members with two independent directors and two non-independent directors. The main assets of Kermode include cash and non-cash values associated with our ownership interest in mining property option agreements. Kermode does not have any revenue or income. Kermode finances ongoing operations using common shares, which it sells for cash and uses in shares-for-services agreements. Kermode uses shares-for-services agreements with the CEO and CFO for corporate services, and with prospecting teams for exploration services. The supply chains for Kermode are kept very short to align the incentives between the people taking the risk and the owners of the business.

6. **Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)*

Yes

6.1 **If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)*

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

7. *Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).*

The ongoing due diligence processes at Kermode focus on understanding all aspects of what our team members are doing, how and why. The team members of Kermode are small in

number, including three officers, four directors, and three exploration crews. Each exploration crew has one or two people. Each of these teams uses a small amount of specialized equipment that is widely available, like a personal computer, cell phone, rock hammer, or pickup truck. This small scope and scale of activity allows us to monitor the potential for forced labour and child labour in terms of direct involvement from our team members or indirect involvement from sourcing equipment.

8. **Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)*

Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.

8.1 **If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)*

None of the above

9. **Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)*

None of the above

10. *Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).*

The main part of our activities and supply chains that carry a risk of forced labour or child labour being used are associated with our equipment. For example, cell phones or tools like a specialized hammer where forced labour or child labour was used in manufacturing. We address this risk by taking care to use mainstream equipment.

11. **Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)*

Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

11.1 **If yes, which remediation measures has the entity taken? Select all that apply. (Required)*

N/A

12. *Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).*

Not applicable

13. **Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains? (Required)*

Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable) (1,500 character limit).

N/A

*15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)*

No

*15.1 *If yes, is the training mandatory? (Required)*

N/A

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

None

*17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)*

Yes

*17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)*

Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

To assess the effectiveness of ensuring that forced labour and child labour are not being used in its activities and supply chains, Kermode performs internal strategic planning exercises where the teams compare their actual performance with their possible performance under different operating conditions. For example, management will determine a range of possible outcomes as if Kermode started a new exploration project in another country around the world and compare those operating conditions with our ongoing operations in Canada. This kind of exercise is an integral part of our project review activities, which we continue to pursue on an ongoing basis. The company is ambitiously seeking opportunities around the world, but we are only working local in British Columbia, Canada, because this has been the only place we can execute our business strategy so far. This business strategy is focused on keeping our supply chains short

and closely monitoring all aspects because our operations are financed by risk capital that requires a high degree of confidence in how management manages material risks.