

FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN THE SUPPLY CHAINS ACT - 2023 REPORT

Pursuant to the *Fighting Against Forced Labour and Child Labour in the Supply Chains Act* (the “**Act**”), this report (the “**Report**”) is made by Spartan Delta Corp. (“**Spartan**” or the “**Company**”). It provides an overview of the steps taken by the Company to prevent and reduce risks of forced labour and child labour (“**Modern Slavery**”) in the Company’s supply chain for the financial year ending December 31, 2023. The use of “we”, “us” and “our” refers to Spartan.

Commitment Against Modern Slavery

Spartan is committed to high ethical conduct and values, including a firm prohibition against any form of exploitation, including Modern Slavery. Spartan promotes a culture of sustainable, responsible development and respect for human dignity in the conduct of its business. The Company does not tolerate Modern Slavery or any form of slavery. Spartan expects that its staff and service providers share the Company’s commitment to ethical and responsible business practices and conduct their business practices in accordance with Spartan’s values. Moving forward, Spartan will require that all staff and service providers agree to abide by the principles set out in the Company’s *Human Rights Policy Statement*, which prohibits Modern Slavery.

Steps Taken to Prevent and Reduce Risks of Modern Slavery

Spartan established an internal working group which undertook several key steps to reduce the risks of Modern Slavery in our supply chain, including:

- a) reviewing the Company’s supply chain, providing deeper visibility and understanding of the various tiers and components that make up our procurement network;
- b) updating the terms and conditions used for Spartan’s service providers, specifically addressing the Act. Once approved by the internal working group, updated terms and conditions will be sent out in 2024;
- c) reviewing the requirements to develop and coordinate training for all staff, including senior leadership, and key service providers on the Act to be implemented in 2024; and
- d) engaging with an external corporate sustainability advisory firm with expertise in human rights due diligence and modern slavery risk management.

Spartan’s Structure and Operations

Spartan is a public company incorporated under the *Business Corporations Act* (Alberta), with its common shares listed on the Toronto Stock Exchange under the trading symbol “SDE”. As of December 31, 2023, the Company had no subsidiaries and approximately 140 employees, consultants and contractors working in professional office and field operations roles. All of Spartan’s employees, consultants and contractors are located in the Province of Alberta. Spartan strives to create a diverse, inclusive and respectful culture across its business operations and projects.

Spartan is an energy company headquartered in Calgary, Alberta, with an established portfolio of high-quality production and development opportunities in the Alberta Deep Basin. It is focused on acquiring a diversified portfolio of quality assets which can be restructured, optimized, and rebranded financially or operationally. Further information about the Company's operations is available on our website at <https://www.spartandeltacorp.com> or on our SEDAR+ profile at www.sedarplus.ca.

Spartan's Supply Chain

Spartan's operations require a wide variety of goods and services to operate, the vast majority of which involve highly skilled and trained labour forces located in North America.

The Company's supply chain involves the procurement of essential, capital-intensive assets and equipment vital for its operations in the oil and gas industry. This encompasses a diverse range of items, including but not limited to pipes, valves, fittings, engines, and electronics, all of which are crucial components for exploration, drilling, and production activities. Moreover, the Company is actively engaged in sourcing highly specialized chemicals specifically tailored for the oil and gas sector. These chemicals play a pivotal role in drilling, completion, and operational processes, addressing the unique challenges and requirements of the industry.

The Company manages its operations through specialized technical units overseeing the strategic acquisition of goods and services. These technical units include engineering, facilities, drilling, completions, and field operations. Notably, a substantial portion of procured goods are from North America, reflecting a strategic focus on regional expertise and efficiencies in the supply chain while reducing potential exposure to Modern Slavery.

Policies in Relation to Modern Slavery

Spartan's *Human Rights Policy Statement*, adopted in May 2024, applies to all Spartan directors, officers, employees, contractors, consultants, and service providers and prohibits the use of Modern Slavery and underscores the Company's commitment to ensuring human rights are respected in the conduct of its operations, including:

- a) prohibiting discrimination of minorities, whether based on gender, race, or other minority status, in respect of employment and occupation;
- b) prohibiting Modern Slavery practices of any kind;
- c) respecting the fundamental freedoms of all individuals, including the freedom of thought, belief, opinion and expression, the freedom of peaceful assembly, the freedom of association and collective bargaining, and other rights and freedoms enshrined in the *United Nations' Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms*;
- d) ensuring safe working conditions for all staff and service providers in accordance with applicable laws and best industry practices; and
- e) ensuring policies and guidelines are consistent with applicable laws and best industry practices.

Spartan's *Whistleblowing Policy* serves as a grievance mechanism for all directors, officers, employees, contractors, consultants and service providers to safely and anonymously report any actual or potential

breaches of the Act. It also forbids retaliation against any person who in good faith raises a concern, files a complaint, reports any wrongdoing or provides information to any investigation or proceeding.

Due Diligence in Relation to Modern Slavery

Several strategies and processes are in place to ensure awareness, training, and compliance with the Act, by:

- a) commencing in May 2024, providing access to Spartan's *Human Rights Policy Statement* to all new and existing staff and service providers;
- b) requiring staff and service providers to acknowledge the Company's applicable policies and statements, and confirm compliance therewith;
- c) ensuring all staff and service providers have access to Spartan's *Whistleblowing Policy*;
- d) regularly reviewing and assessing its policies, practices and procedures regarding Modern Slavery and human rights;
- e) providing corporate training to raise awareness of Modern Slavery indicators; and
- f) selecting service providers, through appropriate due diligence, who are reputable and who do not have a history of Modern Slavery practices or other violations of human rights and who otherwise align with Spartan's standards and expectations.

Assessment of Modern Slavery Risk

Based on a preliminary review of Spartan's direct operations, we consider the risk of Modern Slavery to be low.

Spartan's direct operations do not use forced, compulsory or underage workers and such practices are illegal in the jurisdictions in which the Company operates. All staff are above the legal employment age in Canada and are provided with working conditions, wages and benefits that comply with federal and provincial laws and regulations, including those laws and regulations related to employment, labour and occupational health and safety. Spartan's operations are complex and sophisticated and, as a result, many of its staff and service providers are highly skilled professionals.

A risk of Modern Slavery may exist in the Company's supply chain where service providers conduct operations in countries with a poor human rights record or require the employment of low-skilled, physical labour. Spartan is in the process of assessing the risk of Modern Slavery practices through its supply chain and upon initial consideration, since the bulk of goods and services are purchased in North America, the risk is low. If Spartan deems a service provider to be high risk, the Company will conduct further investigation, which may include but is not limited to, sending questionnaires, conducting interviews, and reviewing the service provider's financial statements and corporate policies.

Steps Taken to Assess and Manage the Risks

For Spartan's direct operations and throughout its supply chain, the following steps have been taken to assess and manage the risks associated with the Act. The Company has:

- a) developed a *Human Rights Policy Statement* which explicitly prohibits the use of Modern Slavery on which all staff and service providers, including existing and any new hires, must sign off;
- b) identified service providers at a higher risk of Modern Slavery practices;
- c) maintained a grievance mechanism via the Company's *Whistleblowing Policy*; and
- d) implemented the review of this Report by the Corporate Governance Committee of the Company's Board of Directors to ensure Spartan is implementing best practices.

Remediation for Loss of Income

As of the date of this Report, Spartan has not identified any instances of Modern Slavery in its activities or supply chain; consequently, no measures to remediate the loss of income to vulnerable families impacted by such measures have been instituted.

Spartan's Approach to Remediation

To date Spartan has not had reports of Modern Slavery in our supply chain. We have set in place mechanisms that allow staff and service providers to bring matters of concern, including those associated with Modern Slavery, to our attention. Spartan is committed to working with service providers to resolve any issues that do arise through engagement, education and training.

All staff and service providers have access to Spartan's *Whistleblowing Policy*. The *Whistleblowing Policy* includes a hotline for staff and service providers to anonymously and safely report any potential or actual breaches of the Act.

Employee Training

Moving forward, Spartan will conduct training for all staff, including senior leadership, and key service providers to raise awareness about the risks of Modern Slavery to ensure all stakeholders understand their responsibilities with regards to the Act.

Assessment of Effectiveness

Spartan recognizes that it is the Company's responsibility to assess and mitigate the risks of Modern Slavery within our supply chain. While we made progress in enhancing our ability to address these risks in 2023, we remain committed to continuous improvement.

We will continue to monitor the effectiveness of steps taken to identify, assess, and mitigate Modern Slavery risks by:

- a) investigating all complaints and grievances received through the *Whistleblowing Policy*;
- b) setting up regular reviews of the Company's policies and procedures related to Modern Slavery;
- c) reporting mechanisms described herein; and

- d) evaluating our supply chain processes on an ongoing basis.

Approval

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Spartan Board of Directors effective May 7, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, each of the undersigned attest review of the information contained in the Report for Spartan. Based on the knowledge of the undersigned, and having exercised reasonable diligence, each of the undersigned 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.

[signed] “Tamara MacDonald”

Tamara MacDonald, Director

[signed] “Kevin Overstrom”

Kevin Overstrom, Director

We have the authority to bind Spartan Delta Corp.

Forward-Looking Information

Certain statements contained in this Report include statements which contain words such as “anticipate”, “could”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this Report includes, but is not limited to: the steps taken to prevent and reduce risks of Modern Slavery; the implementation of policies in relation to Modern Slavery; training provided to employees in respect of Modern Slavery; the Company’s business strategy and outlook; supply channels; and other such matters. All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; access to information regarding subcontractors; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive. Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, Spartan disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.