

# NORTH 40 RESOURCES LTD.

## 2024 North 40 Resources Ltd. Modern Slavery Report

North 40 Resources Ltd. ("North 40", "we", "our" or the "Corporation") (BN 830233359) has created this report to meet our requirements pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Modern Slavery Act**").

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as "**modern slavery**") are violations of fundamental human rights and are occurring across the globe. As a Canadian energy company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards, which includes no use of modern slavery in our business or supply chains.

The Corporation is subject to the reporting requirements of the Modern Slavery Act. This report covers the Corporation's activities during our previous financial year, from January 1, 2024 to December 31, 2024.

The Corporation takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time with a view to meeting all applicable reporting requirements and other legislation related to modern slavery.

### Steps Taken During 2024

The Corporation first became aware of the Modern Slavery Act in late 2023 and subsequently engaged our legal counsel to assist in navigating the new reporting regime. Consistent with the prior period, the Corporation is not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We intend to continue to evaluate our reporting processes to ensure that our reporting with respect to modern slavery meets the statutory requirements.

### Structure, Activities and Supply Chains

- **Structure:** North 40 is a private crude oil and natural gas exploration development company. The Corporation was incorporated pursuant to the Alberta *Business Corporations Act* on October 16, 2007; we were capitalized and commenced operations in June 2016. The Corporation has no subsidiaries and is not a subsidiary of another company.

North 40 had eleven employees at December 31, 2024. Six of the employees are officers. North 40 has six directors, one of which is also an officer. The Corporation has six part-time contractors working in the head office in Calgary, Alberta and thirteen full time contractors working in Alberta field operations.

- **Operations:** North 40 explores, acquires, develops and produces oil and natural gas reserves in Alberta, with our operating areas located in Southeast Alberta.

North 40 has drilled 104 wells in Alberta to December 31, 2024. In addition to operating the Corporation's oil and natural gas wells, North 40 also owns and/or operates a number of oil batteries, a natural gas plant, gathering systems, compressors and water disposal facilities.

- **Supply chains:** In 2024, 99.7% of vendors used by North 40 were from Canada, more specifically, 94.5% of vendors were located in the Province of Alberta. Three vendors were from the United States.

Additional information regarding the corporate structure and operations of the Corporation can be found in our 2024 Annual financial statements and related management's discussion and analysis for the year ended December 31, 2024, which is posted on our website: [www.north40resources.com](http://www.north40resources.com).

## **Policies and Due Diligence**

### ***Policies***

Here is an overview of the relevant policies that we currently have in place:

- **Code of Business Conduct:** The Corporation is committed to conducting our business in a lawful and ethical manner. Our Code is the foundation of our company policies. It sets out guiding principles on professional conduct and establishes that in performing their job duties, North 40 employees, contractors and directors should always act lawfully, ethically and in the best interests of the entity. In addition, the Code requires employee, consultant, contractor and director compliance with all applicable laws, rules and regulations.
- **Whistleblower Policy:** The Corporation is committed to striving for the highest standards of transparency, honesty and operational and financial accountability. In line with this commitment and North 40's commitment to open communication, this policy provides an avenue for employees and contractors to raise concerns and assurance that they will be protected from reprisal or victimization for whistleblowing in good faith.

In addition to the above, we intend to periodically evaluate our approach with respect to modern slavery to ensure the effectiveness of our methodology, including amending existing policies and implementing new policies, as necessary, to mitigate the risks of modern slavery from occurring in our business or operations to the extent determined necessary.

The Corporation may in the future consider implementing additional policies designed to mitigate the risks of any actual or perceived modern slavery occurring in relation to its business or operations.

### ***Due Diligence***

In 2024, North 40 implemented a process through a third-party software provider to have companies supplying goods and/or services to North 40 attest to their compliance with the legislation. North 40 will continue towards increasing the number of vendors who have acknowledged their compliance. We are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We may in the future consider implementing additional procedures to ensure we are not unknowingly engaged in business with any entities involved in modern slavery.

### **Activity and Supply Chain Risks**

The Corporation is not aware of any high-risk exposure to modern slavery associated with the Corporation's business or supply chains.

### **Remediation Measures**

We are not aware of the existence of modern slavery in our business and the supply chains that support our operations and as such, we have not taken any measures to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of the Corporation's actions.

### **Employee Training**

The Corporation sent a notice to all employees, consultants and contractors advising of the Modern Slavery Act and requesting that all employees, consultants and contractors review such legislation.

### **Assessment of Effectiveness**

The Corporation has not yet implemented any policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Corporation's business or supply chains.

### **Approval and Attestation of the Report**

This report was approved by the Corporation's Board of Directors on May 27, 2025 pursuant to paragraph 11(4)(a) of the Modern Slavery Act and has been filed with the Minister of Public Safety and Emergency Preparedness.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest, on behalf of the Corporation, and with no personal liability, that the information in this report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.



Don Robson  
President, CEO and Director  
May 27, 2025

I have the authority to bind the Corporation.