



## **Forced Labour and Child Labour in Supply Chains Report for the year ended December 31, 2024**

### Reporting Entity and Reporting Entity's Legal Name

Full legal name: Outlier Resources Ltd. ("Outlier")

Outlier is a privately owned Alberta corporation incorporated in 2015. Outlier is engaged in the exploration for and production of hydrocarbons in Alberta, primarily natural gas, and therefore has a business presence in Canada and meets the definition of "producing goods in Canada" which per Public Safety Canada guidelines includes the extraction of goods.

Outlier has greater than \$20 million in assets and has generated more than \$40 million in revenue in each of the past two most recent financial years and therefore meets the threshold as a reporting entity under Bill S-211 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act").

Business Number: 812053395 RT0001

Outlier does not report in any other jurisdiction.

### Reporting Period – Financial Reporting Year

This report is for the year ended December 31, 2024. This report is submitted for the deadline of May 31, 2025.

### Outlier Structure, Activities and Supply Chains

Outlier is privately owned by employees and the Board of Directors; the Board of Directors is comprised of Outlier's three senior management members who are actively engaged in the business and together own more than 90 percent of shares outstanding.

Outlier does not have any subsidiaries or related companies. Outlier is not controlled by another company nor does Outlier control any other companies.

Outlier is not a direct importer of any goods or services. Most goods and services are procured locally in Outlier's main area of operation in and around Whitecourt, Alberta. Computer equipment and electronics are acquired from local vendors in Alberta. Office items are procured locally in Calgary from local vendors.

In 2024, Outlier incurred \$23 million on capital projects, primarily on drilling and completion of wells, and of associated infrastructure required to process natural gas and get it to market. Much of these expenditures are on services such as drilling or well completions. Associated infrastructure consists of locally manufactured (in Canada) steel pipe and equipment.

In 2024, Outlier incurred \$19 million in operating expenses. The majority of these costs are for services not subject to child or forced labour: local labour/wages (26%); property taxes, insurance and mineral rentals (20%); maintenance (15%); waste processing & disposal (9%), trucking (10%) and chemicals (10%). Together these low-risk categories account for 92% of our operating expenditures. Of these amounts, local labour/wages are highly paid petroleum sector jobs paid to adults; chemicals are predominantly locally manufactured methanol of which there is no forced or child labour in the supply chain.

Outlier spends minimal amounts on computer equipment, the majority of computer expenses are software related from North American vendors. A further discussion of computer and high-risk expenditures is included in the Risk section.

Where possible, Outlier looks to utilize goods and services produced locally. We look to our suppliers to maintain high levels of integrity and that operate under sound business practices.

### Policies and Due Diligence Processes in Relation to Forced Labour and Child Labour

Outlier has a Company Handbook, distributed to all employees. It includes a Code of Conduct stating that Outlier is committed to providing a safe, healthy and supportive work environment where employees and clients are treated with respect, fairness and sensitivity, free from violence and harassment. Employees are required to be familiar with these policies and procedures, and to treat all employees, clients, vendors and business associates with respect at all times. Any concerns are to be promptly brought to the attention of supervisors and/or management.

Outlier maintains a Whistleblower Policy whereby employees can securely relay to senior management any potential violation of any law.

Outlier employees, directors, and officers are prohibited from entering into any arrangement contrary to applicable requirements or laws. Employees, directors, and officers have a duty to report any observed discrimination, violence or harassment.

Directors, officers, employees and independent contractors are provided with a copy of the Company Handbook (or electronic access) and are required to acknowledge and certify Outlier's Statement of Compliance, which encompasses all policies referenced in the Company Handbook.

In 2024, Outlier added a section to the Employee Handbook specifically addressing Forced and Child Labour. The section explains to employees the context and requirements of federal Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. All Outlier employees are now instructed to monitor for signs of involuntary labour practices, specifically considering vulnerable employees. The statement formally states Outlier's refusal to employ individuals below the minimum age permitted by law and to prohibit any engagement or benefit from any form of human trafficking. All employees are expected to work towards reducing exposure to any goods that may include forced and/or child labour in supply chains.

### Risk Assessment

The Walk Free website, categorized as the world's most comprehensive data set on modern slavery, provides extensive data about forced and child labour, including the annual Global Slavery Index ("GSI"). Walk Free defines modern slavery, which is not a term defined in law, as including forced labour and child labour. The phrase 'modern slavery' is used herein to reference data from the GSI.

Among other data, the GSI lists countries with the highest prevalence of modern slavery: North Korea, Eritrea, Mauritania, Saudi Arabia, Turkiye, Tajikistan, United Arab Emirates, Russia, Afghanistan, and Kuwait. Four of the five world regions – Africa, Arab States, Asia and Pacific, and Europe/Central Asia – are represented in the list of countries with the highest prevalence of modern slavery.

Canada imports goods at risk with the top categories being Electronics, Garments, Gold, Textiles and Sugarcane. Outlier does not import anything from this group except electronics. Outlier also purchases solar panels which are considered to be an elevated risk category.

Electronics is the biggest at risk category, representing \$11 billion of Canadian imports. The electronics category includes consumer electronics such as televisions, cameras, headphones, smartphones, tablets, and home products; it also includes medical electronics.

In 2024, Outlier increased efforts to analyze force/child labour risks in computer purchases. During the year Outlier spend approximately \$19,000 on computer hardware from major reputable suppliers. As such our risk in this area is considered to be small. In the upcoming year we plan to extend efforts to enhance clarity in computer hardware supply chains.

Solar panel sales globally represent a high risk area. Outlier purchases solar panels for use at wellsites to show our commitment to reducing emissions towards meeting provincial and federally mandated emissions reduction targets. On an annual basis, Outlier spends little or nothing on solar panels, with purchases made only for new well sites (1-2 per year) or to replace stolen items.

Outlier's biggest capital expenditures are primarily drilling and completions related for which we have high confidence that there is low or no risk of child or forced labour components. Outlier's largest operating expense items are for local labour, property taxes, and other local services where we have high confidence that there is low or no risk of child or forced labour components.

#### Measures Taken

Outlier has taken multiple initiatives to improve the global situation of forced labour and child labour.

Outlier has identified high-risk areas of procurement within the company. We have also identified the employees that make purchases, and provided them with additional guidance to focus on low risk purchases.

Outlier is focusing purchasing efforts on companies that exhibit strong standards with respect to forced labour and child labour.

In 2024, Outlier added a dedicated policy section in the Employee Handbook specifically relating to the federal forced and child labour legislation. The policy states that Outlier does not tolerate the trafficking or exploitation of children, nor does it tolerate the use of forced or compulsory labour. The policy notes

that all employees are expected to work towards reducing exposure to any goods that may include forced and/or child labour in supply chains.

Outlier is a client of Veriforce, a third-party company that offers supply chain risk management. Veriforce is active in more than 130 countries and more than 120 languages. Veriforce emphasizes supply chain sustainability through safer workplaces and a positive impact on sustainable operations throughout the entire supply chain ([Supply Chain Sustainability for Complex Supply Chains - Veriforce](#) ).

Outlier uses Veriforce to maintain a database of contractors and companies that we will do business with, and ones that we will not. Outlier will not do business with companies or contractors once it is ascertained that they violate health or safety standards and legislation, including forced or child labour.

Outlier added a Forced and Child Labour questionnaire to our Veriforce contractor page. In the section are multiple questions pertaining to contractors' policies, progress and standards with respect to Forced and Child Labour. Outlier does not expect any vendors to be offside in answering questions, and we will be gathering data from participation in the questionnaire in order to help refine our forced and child labour policies in future.

In 2024, Outlier implemented several steps to increase our safeguards against purchasing products or services that might include Forced or Child Labour. This past year, we only requested quotes for Canadian steel casing products, made in Canada, where there is no child or forced labour component. Other major purchased products used in drilling operations, are cement, drilling mud, and sand, and Outlier in 2024 sourced these items only from Canadian or US suppliers where we are confident there is no forced or child labour in the supply chains.

### Training provided to employees

Outlier employees have been provided a recorded webinar ([Webinar: Fighting Against Forced Labour: Navigating Government Regulations and Ethical Labour Practices by Veriforce \(bigmarker.com\)](#) ), created by Veriforce, for viewing by all employees. The webinar is a tutorial on the Act, compliance with the Act, and a reference tool to help employees further integrate forced and child labour considerations into any procurement decisions. Outlier expects all employees to work towards reducing exposure to any goods that may include forced and/or child labour in supply chains.

### How Outlier assesses effectiveness in ensuring no forced labour and child labour in supply chains

Outlier assesses effectiveness in ensuring no forced labour and child labour by taking the following actions.

Outlier strives to continuously improve understanding of our supply chains and which components are higher risk.

Outlier pays attention to websites and public statements made by our suppliers and how they are dealing with the issue of forced labour and child labour.

Outlier sends a regular email out to employees and contractors listing any companies who, according to Veriforce, have not complied with or not reported their child labour standards and expects all business with those companies be stopped immediately.

In 2024, Outlier found no instances of forced and child labour in supply chains.

### Attestation

In accordance with the requirements of the Act, I attest to having reviewed the information in this report. To the best of my knowledge, I attest that the information included herein is true, accurate and complete in all material aspects.



Brian Hiebert  
CEO and Member of Board of Directors  
Outlier Resources Ltd.  
May 28, 2025