



2024 Modern Slavery Report

Pine Cliff Energy Ltd.

This 2024 Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2024 to December 31, 2024 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Act**”). This Report is made on behalf of Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Company**”).

1. Introduction

Forced labour and child labour, each as defined in the Act, are crimes and serious violations of human rights. As a publicly listed Canadian oil and gas company, Pine Cliff recognizes the important role it has in ensuring that its operations, which are solely in Alberta and Saskatchewan, Canada, and the supply chains that support its operations, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour. This Report sets out the steps the Company has taken during fiscal 2024 to prevent and reduce the risk that forced labour or child labour is used at any point in the production of goods in Canada or elsewhere by Pine Cliff or of goods imported into Canada by Pine Cliff or third parties supplying Pine Cliff.

2. Our Business

Pine Cliff is an oil and gas company headquartered in Calgary, Alberta, Canada. Pine Cliff is an active acquirer and developer of oil and gas properties in Alberta and Saskatchewan. The Company’s supply chain includes businesses that supply goods and services to the organization, primarily encompassing various vendors, suppliers, contractors, and subcontractors involved in the procurement of goods and services necessary for the Company’s operations in developing and maintaining its conventional oil and gas properties.

In total, Pine Cliff procures goods and services from approximately 6,000 suppliers and contractors (“**Vendors**”). These Vendors are primarily Canadian based businesses that adhere to labour and operational regulations in Canada for oil and gas production, which are among the highest regulatory standards in the world.

Additional information regarding the corporate structure, operations and the industry conditions relating to Pine Cliff is available in the Company’s Annual Information Form for the year ended December 31, 2024, which can be accessed on its website at www.pinecliffenergy.com or on SEDAR+ at www.sedarplus.ca.

3. Our Policies

Policies

Pine Cliff’s organizational and governance policies describe its values and expectations and make a concerted effort to monitor the performance of its Vendors to ensure that their activities do not negatively impact human rights. The Company has continued to strengthen these policies by implementing additional supplier engagement measures and increasing transparency in its supply chain practices.

Code of Conduct

Pine Cliff is committed to conducting business in a lawful and ethical manner. The Company’s code of conduct (the “**Code**”) serves as the foundation for Pine Cliff’s policies, providing guiding principles on professional conduct. The Code establishes that Pine Cliff’s employees, consultants, and directors must always act lawfully, ethically, and in the best interests of the Company.

In 2024, Pine Cliff enhanced supplier compliance measures by integrating ethical sourcing expectations into the supplier onboarding and invoice submission process, reinforcing the principles of the Code in supplier relationships.

Supplier Code of Conduct

As part of its continuous improvement initiatives in 2024, Pine Cliff introduced a supplier guideline on ethical supply chain practices (the “**Supplier Code**”) bulletin within its invoice submission portal, requiring all Vendors to acknowledge the principles outlined in the Act. This Supplier Code sets forth supplier expectations, including:

- Proactively identifying and preventing forced labour, child labour, and human trafficking in their operations.
- Complying with all applicable laws and regulations governing labour rights and ethical business practices.
- Reporting any concerns or violations related to modern slavery through appropriate channels.
- Collaborating with Pine Cliff to uphold transparency and ethical standards in the supply chain.

This Supplier Code serves as an implicit compliance declaration, reinforcing accountability and aligning supplier commitments with Pine Cliff's policies. Pine Cliff is refining its Supplier Code to align with best practices and evolving regulations, reinforcing supply chain transparency and compliance for all Vendors.

Whistle Blower Policy

Pine Cliff's Whistle Blower Policy (the "**Policy**") provides a mechanism for employees to report concerns regarding wrongdoing without fear of harassment, victimization, or subsequent recrimination. The Policy is intended to encourage and enable employees to raise serious concerns within the Company with independent directors, rather than overlooking a problem or seeking a resolution for the problem outside the organization. The Policy applies to all employees, contractors, consultants, and Vendors working for or engaged by the Company. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding Pine Cliff's business conduct.

Due Diligence

Pine Cliff expects third-party Vendors to adhere to business principles and values similar to its own and to comply with all applicable laws and regulations. The Company continues to strengthen its due diligence processes by integrating supplier engagement and compliance declarations into its invoice processing system.

Key due diligence enhancements in 2024 include:

- Communication of all Pine Cliff's ethical sourcing guidelines via the invoice portal.
- Expanded supply chain transparency efforts, ensuring vendors are aware of their obligations under the Act.

These efforts are proactive steps toward mitigating potential risks that forced or child labour exist in Pine Cliff's supply chain.

4. Assessing Our Risk

Pine Cliff conducts all operations in western Canada where there is a low risk of forced or child labour. The Company engages in various activities to identify, assess, and manage Vendor risk. In assessing the risk of forced and child labour in its business and supply chains, Pine Cliff utilizes external compliance databases for all service providers. While forced labour and child labour can impact any population, Pine Cliff recognizes certain groups are particularly vulnerable, including:

- Domestic and foreign migrant workers.
- Contract, agency and temporary workers.
- Refugees, asylum seekers, ethnic minorities, and displaced persons.
- Young or student workers.

The Company's initial risk review identified that forced labour and child labour risk levels for its operations in western Canada are:

- **Low** within its business operations given that the labour resources and its Vendors being entirely within western Canada and given adherence to the legal, regulatory and business frameworks in place within Canada.
- **Moderate** for service categories such as information technology and other offshore support services, of which the Company is not aware of any.
- **High** risk for materials and equipment continues to be associated with non-transparent global supply chains from overseas countries. According to the U.S. Government's 2024 List of Goods Produced by Child Labour or Forced Labour, high-risk goods remain concentrated in raw materials, such as agricultural produce, cotton, and rubber. Pine Cliff does not procure such raw goods and continues to monitor its supply chain for compliance with ethical sourcing standards.

Pine Cliff's exposure to the risk of forced labour and/or child labour may increase if it engages with third parties, particularly in categories such as protective equipment and clothing and construction materials, sourced in whole or in part offshore through third parties.

5. Our Commitments

Pine Cliff Energy Ltd. is committed to upholding high standards of ethical conduct, including the prevention of modern slavery and human trafficking in all aspects of our operations.

As a Canadian energy company, Pine Cliff recognizes its responsibility to ensure that forced labor or child labor is not used at any step of the production of goods, whether within Canada or abroad, by our entity or within our supply chains. Below outlines the steps we have taken or commit to be taken to address and mitigate these risks:

- Integrating responsible business conduct into supplier engagement policies by requiring all Vendors to acknowledge ethical sourcing expectations before submitting invoices.
- Mitigate adverse impacts, by raising awareness and understanding of modern slavery and human trafficking among employees and Vendors.
- Encourage employees and stakeholders to report any concerns or suspicions of modern slavery, potential violations, reinforcing whistleblower protection.
- Monitor and review mechanisms for supply chain risks.

Remediation Measures

In accordance with the Act, Pine Cliff assessed its activities and supply chain and has not identified any incident of forced labor or child labor being used. Therefore, the Company has not been required to take any measures to remediate an incident of forced or child labour.

The Company acknowledges the importance of vigilance and ongoing monitoring to ensure that modern slavery risks remain mitigated within its operations and supply chains. Pine Cliff is committed to regularly reviewing its risk assessments and implementing any necessary remediation measures should the need arise in the future.

Pine Cliff's Code and Policy require all employees and contractors to report actual or possible misconduct. The Company also undertakes to ensure that the risk of forced labour and child labour is nullified in its business. If Pine Cliff discovers any forced labour or child labour in its business and supply chains, the Company may take one or more of the following measures to remediate such forced labour or child labour:

- Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support;
- Compensation for victims of forced labour or child labour and/or their families;
- Actions to prevent forced labour or child labour and associated harm from reoccurring.
- Grievance mechanisms.
- Formal apologies.

Code of Conduct

Pine Cliff personnel at all levels are required to adhere to the Code and to ensure it is understood and properly applied to their daily activities. Every new employee, contractor or director of the Company must review and sign the mandatory values and policies included in the Code and are informed of how to report wrongdoing under the Policy. Employees and contractors are required to annually sign both the Code and the Policy to ensure that their knowledge remains current.

Supplier Engagement

Pine Cliff engages with Vendors to raise awareness of modern slavery risks and promote best practices. In 2024, we implemented a Supplier Code bulletin in our invoice portal, requiring Vendors to acknowledge their responsibility under the Act before submitting invoices.

This bulletin sets clear expectations for compliance, risk mitigation, and reporting obligations, reinforcing ethical sourcing practices. By integrating this into our procurement process, Pine Cliff enhances supply chain transparency and ensures Vendors uphold our commitment to prevent forced and child labour.

6. Our Progress and Effectiveness

As part of its governance processes, the Company monitors compliance with the Code and Policy on an ongoing basis. The Company also reviews any concerns raised pursuant to the Policy or other informal reporting mechanisms for employee feedback. To date, no significant concerns or complaints have been identified.

Progress in 2024

- Supplier Compliance Mechanism Implemented: The Supplier Code bulletin was introduced to ensure all Vendors acknowledge and adhere to modern slavery prevention principles before submitting invoices.
- No Reported Incidents: No cases of forced or child labour were identified to Pine Cliff.

We also assess the effectiveness of our policies by:

- Regularly reviewing the Company's policies and procedures related to forced labour and child labour.
- Monitoring relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with specified anti-forced labour and child labour clauses.
- Working with Vendors to measure the effectiveness of their actions to address forced labour and child labour, including by monitoring relevant performance indicators.

7. Approval & Signature

This Report was approved by Pine Cliff's Board of Directors on May 20, 2025 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.pinecliffenergy.com.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the Company. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

"signed Philip B Hodge"

Philip B. Hodge
President and CEO

May 20, 2025

I have the authority to bind Pine Cliff Energy Ltd.

Advisories

Forward-Looking Information

Certain statements contained in this news release include statements which contain words such as “anticipate”, “could”, “should”, “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 developments, 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 news release includes, but is not limited to: future capital expenditures, including the amount and nature thereof; future acquisition opportunities including Pine Cliff’s ability to execute on those opportunities; future drilling opportunities and Pine Cliff’s ability to generate reserves and production from the undrilled locations; oil and natural gas prices and demand; expansion and other development trends of the oil and natural gas industry; business strategy and guidance; expansion and growth of our business and operations; maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; risks; Pine Cliff’s ability to generate adjusted funds flow; Pine Cliff’s ability to pay a dividend; 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 ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; 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 provided by operating activities to meet current and future obligations; increased competition; 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 including the reduction in municipal taxes and surface land rentals, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.