

MODERN SLAVERY REPORT 2024

ALLIED ENERGY II CORP.

This report (the “**Report**”) has been prepared pursuant to Section 11 of Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and outlines the actions taken by Allied Energy II Corp. (“**Allied**” or the “**Company**”) during the year ended December 31, 2024, to prevent and reduce the risk of forced labour or child labour occurring in our business. The use of the words “we”, “us” and “our” refers to Allied.

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should review the disclaimers beginning on page 4 of the Report.

Introduction

Allied is committed to ethical business practices, including the prevention of forced labour and child labour (each as defined in the Act) in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of exploitation and we expect that our suppliers share our commitment to ethical and responsible business practices and support our values. Allied does not import any goods and is not otherwise aware of any high-risk exposure to forced labour and/or child labour associated with the Company's business or supply chains.

For the year ended December 31, 2024, Allied has taken the following steps to address and mitigate the risks of forced labour and child labour in our supply chains:

- updated the Company's Code of Business Conduct and Ethics, which provides a framework for ethical behaviour, to specifically address concerns regarding forced labour and child labour.
- established accessible grievance mechanisms under the Company's Whistleblower Policy to encourage directors, officers, employees, consultants and contractors of Allied to report any concerns or suspicions of forced labour and/or child labour.
- engaged in conversations with our Board of Directors about the Act, disclosure contained in this Report, and our approach to mitigating the risks of forced labour and child labour in our operations and supply chain; and
- began assessing the inherent risk of the Company's supply chain and developing due diligence policies and processes for identifying, addressing, and mitigating the risks of forced labour and/or child labour in the organization's activities and supply chains

Our Structure and Business

Allied is a private oil and gas company, is incorporated under the *Business Corporations Act* (Alberta) and headquartered in Calgary, Alberta. As at December 31, 2024, the Company had no subsidiaries. Allied employs 10 full-time staff in addition to various consultants and contractors in the Company's head office and throughout our field operations.

The Company is engaged in the exploration and development of oil and gas in Swan Hills, Alberta. Business activities of Allied include the exploration, production and sale of oil and gas commodities in Western Canada.

Our Supply Chains

Allied's supply chain includes businesses that supply goods and services to our organization, primarily encompassing various vendors, suppliers, contractors and subcontractors involved in the procurement of goods and services necessary for our operations in developing and maintaining our oil and gas assets. In total we procure goods from approximately 500 suppliers and contractors. Our immediate supply chain consists primarily of local third-party providers of goods and services. We predominantly source our good and services within Canada and strive to build relationships with suppliers who align with our values.

Our Policies and Due Diligence Processes

Allied communicates its values and expectations to its directors, officers, employees, consultants, contractors through its governance policies. The Company does not tolerate any forms of forced labour or child labour and is committed to consistently evolving and improving our approach. The Company's Code of Business Conduct and Ethics and Whistleblower Policy require our employees, contractors, consultants and directors maintain high standards of professional and ethical conduct and ensure they are provided a safe and anonymous process for disclosing complaints or concerns, including complaints pertaining to potential or actual violations of the Act. The Company 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 supply chains.

- Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics lays the foundation for its directors, officers, employees, consultants and contractors and sets out guiding principles on professional conduct as well as human rights, labour rights, legal compliance, respect in the workplace and other governance concerns. Our Code of Business Conduct and Ethics specifically address concerns regarding forced labour and child labour.

- Whistleblower Policy

The Company's Whistleblower Policy provides directors, officers, employees, consultants and contractors with an anonymous process for disclosing complaints or concerns regarding wrongdoing, including concerns regarding forced labour and child labour. The Whistleblower Policy forbids retaliation for the act of good faith whistleblowing regardless of the determination of any follow-up investigation. Allied encourages directors, officers, employees, consultants and contractors to raise concerns within the Company rather than overlooking them or seeking resolution externally.

Risks of Forced Labour and Child Labour in our Business and Supply Chains

Allied engages in various activities to identify, assess, and manage its risk of forced labour and child labour. We expect third parties with which we work to adhere to responsible business practices and to comply with all applicable laws and regulations, including those in respect of forced labour and child labour.

We have reviewed our supply chain and believe the overall risk of modern slavery in our direct supply chains is low based on the following factors: the locations of the suppliers; the materials being supplied in the energy sector; and the commodities produced are not considered to be high risk within the jurisdictions for which we operate our business. As noted, all supplied goods and services we procure are primarily provided by Canadian entities and adhere to Canadian laws and regulations to the best of our knowledge. Based on our evaluation, we are not aware of any high-risk exposure to modern slavery associated with the Company's business or supply chains.

All of the Company's employees and service providers work in Canada, which has low prevalence of forced labour and child labour and a low risk of vulnerability to forced labour and child labour. Allied ensures compliance with Canadian working conditions, wages and benefits, including those relating to employment, labour and occupational health and safety.

Measures Taken to Remediate Forced or Child Labour

Our Code of Business Conduct and Ethics and our Whistleblower Policy offer a reporting mechanism for directors, officers, employees, consultants and contractors to report ethical or legal violations, among other concerns.

To date, the Company has not identified any cases of forced labour or child labour in its operations or supply chain, therefore no remediation measures have been required. If a situation of non-compliance or high risk is identified, the Company will work to develop and implement a corrective plan to try to improve and remedy the situation. The Company is committed to working with service providers to resolve any issues that do arise through engagement, education and training.

Employee Training

Allied is a small team, consisting of 10 employees and 3 consultants in its head office as at December 31, 2024. Given the small size of our team, our values and culture to act ethically are strongly reinforced throughout our day-to-day activities, with training primarily taking the form of awareness. The Company distributes company-wide emails to ensure that all employees are aware of new reporting requirements under the Modern Slavery Act as well as the potential areas of risk within our business and supply chains. Additionally, members of Allied's management team attended information and training sessions put on by subject matter experts.

All new and current employees of Allied, are expected to read, understand and comply with the principles and requirements set out in the Company's Code of Business Conduct and Ethics and the Whistleblower Policy. We may decide to extend training at our discretion, should the need arise, to further reinforce understanding of and compliance with the Act.

Measuring Our Effectiveness

The Company is committed to assessing and mitigating the risks of forced labour and child labour in our supply chain. While we made progress with our efforts in 2024, we remain committed to continuous improvement. Activities we have taken to ensure that forced labour and child labour is not being used in our supply chain include: investigating all complaints or grievances received pursuant to the Whistleblower Policy, setting up regular review of the Company's governance policies and procedures, reporting mechanisms described herein and evaluating our supply chain processes and suppliers on an ongoing basis.

Board approval

The Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Allied.

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 above. In my capacity as a Director of Allied, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.



Greg Balderston
President and Director

I have the authority to bind Allied Energy II Corp.

Disclaimers

Certain information in this Report may constitute forward-looking information within the meaning of applicable securities legislation. Specific forward-looking information in this Report includes, without limitation, statements relating to the Company's commitment to prevent and reduce risks of forced and child labour; maintenance of relationship with the Company's contractors that align with the Company's values; implementation of policies in relation to forced labour and child labour; training to be provided to employees to reinforce understanding and compliance with the Act; business strategy and outlook; remediation measures, and improvement of the same, in respect of forced labour or child labour; supply channels; and other such matters.

Forward-looking information may also include information regarding our respective future plans or objectives or other information that is not comprised of historical fact and includes statements that contain words such as "could", "should", "anticipate", "expect", "believe", "plan", "propose", "estimate", "intend", "project", "will", "may", "forecast", "outlook" and similar expressions suggesting future outcomes or events.

However, such forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking information. A number of factors could cause actual results to differ materially from those discussed in the forward-looking information. These risks include but are not limited to: foreign exchange fluctuations; changes to general economic conditions in Canada and internationally; changes in the level of capital expenditures; equipment and labour shortages and inflationary costs; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; political uncertainty and wars; changes in existing supply chains in response to the recent implementation of tariffs and other trade restrictions by the United States, Canada and globally (including the risk of changes to the Company's supply chain); the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; stock market volatility; and other factors, many of which are beyond our control. We caution readers not to place undue reliance on any such forward-looking information. Such information is current only as of the date on which it was made. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained in this Report.