

MODERN SLAVERY REPORT 2025

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, 2025, 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 6 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, 2025, 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;
- initiated a review of the Company's key suppliers based on payments made in 2025 to assess risk and compliance with our expectations regarding forced labour and 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
- continued to assess the inherent risk of the Company's supply chain and further developed 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 incorporated under the *Business Corporations Act* (Alberta) and headquartered in Calgary, Alberta. As at December 31, 2025, the Company had no subsidiaries. Allied employs 20 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 Alberta and Saskatchewan. 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 800 suppliers and contractors that support operations across Alberta and Saskatchewan.

Our immediate supply chain consists primarily of local third-party providers of goods and services. We predominantly source our goods and services within Canada and strive to build relationships with suppliers who align with our values. Most of these suppliers are primarily service-based which lowers the Company's overall risk profile. Service-based suppliers are located in Western Canada, requiring them to adhere to specific labour regulations and business practices, reducing the risk of forced labour and child labour.

Our Policies and Due Diligence Processes

Allied communicates its values and expectations to its directors, officers, employees, consultants, and 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 to 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 addresses 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.

Steps Taken to Assess the Risk of Forced Labour and Child Labour

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. To identify the business activities with the greatest exposure to these risks, Allied considers the following factors:

- how our activities may cause, contribute to or be directly linked to forced labour or child labour;
- risks that are present in onshore operations and supply chains;
- risks surrounding both direct and indirect supply chains (i.e. tier one, tier two, tier three suppliers);
- whether we operate in, or purchase goods from, any countries that are at higher risk of forced labour and child labour;
- whether our industry is considered a high risk sector;
- the types of products sourced, produced, sold, distributed and imported;
- the raw materials or commodities used in our supply chains;
- whether any suppliers have been reported as non-compliant with human rights or labour standards.

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. While the Company has not identified supplies or goods within its supply chain that present a high risk of forced labour and child labour, Allied acknowledges that it has limited visibility over indirect suppliers, particularly those in the second and third tiers of its supply chain and will continue to monitor and assess the risks as part of ongoing due diligence processes.

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.

Due Diligence Processes

Allied implements comprehensive processes to identify and address both actual and potential adverse impacts arising from activities across the supply chain. These practices comprise the following actions, programs, and initiatives:

- **Adherence to the Code of Business Conduct and Ethics:** Allied's Code of Business Conduct and Ethics sets out guiding principles on human rights, establishes rigorous ethical standards, and expressly addresses forced labour and child labour issues, and provides a framework to ensure activities align with ethical obligations.
- **Onboarding:** During supplier onboarding, risks associated with modern slavery are evaluated, enabling Allied to identify any potential concerns prior to entering into business relationships.
- **Supply Contracts:** Allied utilises supply contracts mandating adherence to Allied's corporate policies, encouraging suppliers to align with Allied's legal and ethical standards.
- **Reporting Channels:** The Company maintains a Whistleblower Policy to facilitate confidential reporting of concerns by employees or other stakeholders. This policy ensures individuals may safely raise any concerns without fear of retaliation.

Allied's due diligence process follows these steps: (i) integrating responsible business conduct into policies and management systems; (ii) identifying and evaluating adverse impacts within operations

and supply chains; (iii) ceasing, preventing, or mitigating such impacts; (iv) monitoring implementation and outcomes; and (v) communicating the measures taken to address identified impacts.

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.

Measures Taken to Remediate Loss of Income to Vulnerable Families

The Act requires reporting entities to describe any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains. During the reporting year ended December 31, 2025, Allied did not identify any instances of forced labour or child labour in its business or supply chains and accordingly did not implement any measures to eliminate such practices. As no elimination measures were taken, no loss of income to vulnerable families resulted from Allied's actions, and no remediation of income loss was required. Should circumstances change in the future, Allied is committed to taking appropriate steps to remediate any such loss of income in a manner that prioritizes the well-being of affected families.

Employee Training

Allied is a small team, consisting of 20 employees as at December 31, 2025. 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 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 2025, 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.

During the reporting year ended December 31, 2025, no complaints or grievances regarding forced labour or child labour were received through the Whistleblower Policy or any other reporting mechanism.

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

May 28, 2026

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 and the Company's commitment to assess the effectiveness of such measures; 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. 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 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.