



Report under the

*Fighting Against Forced Labour and Child Labour in
Supply Chains Act*

For the Year Ended December 31, 2023

INTRODUCTION

This modern slavery report (the "**Report**") was prepared in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"), and outlines the actions we have taken during the financial year ended December 31, 2023, to prevent and reduce the risk of forced labour or child labour occurring in our business. The Report is made on behalf of NTE Energy Canada Ltd. ("**NTE**" or the "**Company**") and the applicable entities which it controls. The use of the words "we", "us", "our", "Company" and "NTE" refer collectively to NTE Energy Canada Ltd. and its subsidiaries / the applicable entities which it controls, including joint venture ventures which it operates, unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within NTE.

This Report has not been prepared as financial or investment advice or to provide any guidance in relation to our future performance. Readers should view the disclaimers at the end of this Report.

STEPS TAKEN TO MITIGATE MODERN SLAVERY DURING 2023

NTE is committed to environmental and social responsibility, which includes the prevention of the occurrence of forced labour and child labour in our operations and supply chains. We do not tolerate child labour, forced labour or any other form of slavery.

We also expect that our suppliers share our commitment to ethical and responsible business practices and support our values. We are not aware of any high-risk exposure to modern slavery associated with NTE'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 and to assess our policies, due diligence activities and overall business regarding the identification and prevention of modern slavery in our operations and supply chain.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

NTE Energy Canada Ltd. was incorporated in the Province of Alberta on October 30, 2014. On September 21, 2021, the shares of the Company were sold by its former shareholder to New Times Energy Canada Ltd. ("New Times") (formerly United Oil & Resources Trading Limited). New Times is a wholly-owned subsidiary of New Times Energy Corporation Ltd., a company incorporated in Bermuda and a publicly traded company in Hong Kong.

NTE carries out the business of exploration, development and production of oil and gas from NTE's core properties located in northeast British Columbia and Alberta. Exploration and production activities are also conducted through joint arrangements which are governed by joint operating agreements. NTE holds interests in joint assets that are not operated by the Company and as such these non-operated supply chains and activities are not included in this Report.

Through its subsidiary, NTE Discovery Park Ltd., NTE also operates a 1,200-acre industrial park (Discovery Park) located in Campbell River, British Columbia offering industrial land, buildings, and warehouses for lease. We plan to transform Discovery Park into a green-tech hub to attract tenants aligned with our environmental, social and governance mandate. The site is ideal for aquaculture, green hydrogen, and renewable natural gas projects due to its low-cost electricity and abundant ocean and freshwater supply.

Our objective is to ensure that the communities in which we operate benefit from our presence. In conducting our business, we utilize goods and services supplied by third parties. We continually strive to

support qualified local suppliers and contractors that have businesses and roots in the regions where we operate, as well as working with large contractors that provide various expertise from broad operations.

Additional information regarding the corporate structure and operations of NTE can be found on our website (www.nt-energy.ca).

POLICIES AND DUE DILIGENCE

We conduct our business in a lawful and ethical manner. NTE's Code of Business Conduct and Ethics (the "**Code**") requires all employees to have high standards of professional and ethical conduct. In addition, the Code requires compliance with all applicable laws, rules and regulations. NTE enforces workplace integrity by including stringent guidelines for selecting our suppliers. We also utilize ComplyWorks to ensure that contractors working on NTE properties have proper insurance, workers compensation board coverage, training, safety programs, drug and alcohol policies and code of conduct.

NTE considers the risks of Forced Labour and Child Labour in Supply Chains is minimal. We shall in the future implement additional policies or procedures to further reduce the risk of forced labour or child labour in the Company's supply chain.

ACTIVITY AND SUPPLY CHAIN RISKS

Given our workforce is largely comprised of office workers and skilled oil and gas field workers and our assets are located in the provinces of British Columbia and Alberta, we consider that there is minimal risk of forced labour or child labour in our direct operations.

Given that the large majority of NTE's expenditures on goods and services is with suppliers located in Canada, we consider the overall risk of modern slavery being present with our direct suppliers to be low. However, we appreciate that many of our suppliers provide us with products that originate from other jurisdictions, and all have their own supply chains. In 2024, we will attempt to identify and minimize modern slavery risks associated with our supplies through further investigation of our suppliers deemed to be high risk.

REMEDIATION MEASURES

NTE is not aware of forced labour or child labour in its activities or supply chain. As such, we have not taken any measures to remediate any forced labour or child labour or to remediate the loss of income to vulnerable families that resulted from any measure taken from any of NTE's actions.

EMPLOYEE TRAINING

NTE recognizes the importance of our staff and acknowledges that our ability to successfully execute our long-term plan is driven by the ongoing commitments made by each team member. NTE has not yet implemented any employee training in respect of the risk of modern slavery in our business. NTE may in the future consider implementing mandatory training for all staff involved in procurement and the supply chain process.

ASSESSMENT OF EFFECTIVENESS

NTE shall continuously review our own policies or processes to assess our effectiveness in ensuring that modern slavery is not used in our business or supply chains.

ATTESTATION

This Report is for NTE and applicable entities which it controls, including joint ventures which it operates, and was approved pursuant to subparagraph 11.4(4)(a) of the Act by NTE's board of directors on July 19, 2024, 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.nt-energy.ca.

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 entity listed above. 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.

“John Tang”

John Tang
Director & CEO
July 23, 2024

I have the authority to bind NTE.

Forward-Looking Information

Certain statements contained in this Report include statements which contain words such as “anticipate”, “could”, “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 development, 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 Report includes, but is not limited to: the steps taken to prevent and reduce risks of forced labour and child labour; the implementation of policies in relation to modern slavery; training provided to employees in respect of modern slavery; the Company’s business strategy and outlook; supply channels; 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 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 flow from operations to meet current and future obligations; increased competition; access to information regarding subcontractors; 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, or if any of them do so, what benefits will be derived there from. Except as required by law, NTE disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.