



Modern Slavery Report 2023

May 30, 2024

Introduction

This report (the “Report”) is produced and submitted by Coelacanth Energy Inc. (“CEI”, “Coelacanth” or the “Company”) for the fiscal year ended December 31, 2023, and is in compliance with the “Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). This Report captures Coelacanth’s methodology and measures taken to assess the risk of and to mitigate against the potential for forced labour and child labour in our supply chains.

Structure, Activities and Supply Chains

Coelacanth Structure

Coelacanth Energy Inc. is a junior publicly traded oil and gas exploration and development corporation that trades on the TSXV under the symbol “CEI”. Coelacanth’s operations take place in the Two Rivers area of northeastern British Columbia, near Fort St. John. The Company commenced operations in June 2022. Coelacanth’s head office is located at 2110, 530 -8th Ave. SW, Calgary, Alberta, T2P 3S8. Coelacanth also has a field office located near Fort St. John, at its Two Rivers West Facility (location 14-05-86-16W6).

The Company is the reporting entity and has no subsidiaries. During 2023, the Company employed 14 people at its head office, along with 3 contractors at its Two Rivers West Facility office.

Information regarding Coelacanth Energy Inc., including its financial reports, charters, governance structure, policies (see below), and ESG Report, can be found on its website at www.coelacanth.ca. Additional information can be found in the Annual Information Form (“AIF”) filed each year on Sedar at www.sedarplus.com.

Policies

Coelacanth Energy has the following corporate policies in place that support the highest standards of ethical business practices. The policies relevant to the Act include:

Code of Business Conduct and Ethics

Coelacanth is committed to conducting the business of the Corporation ethically and legally. The board of directors of the Corporation (the "Board") has adopted a Code of Business Conduct and Ethics (the "Code"), which is designed to provide guidance on the conduct of the Corporation's business in accordance with high ethical standards. The policy must be read and acknowledged by all employees, contractors, and Suppliers to the Company. This Code and the specific related policies and practices, and any guidelines approved and implemented by the Board or management of the Corporation, will be used in identifying and managing ethical situations and in making ethical business decisions which adhere to these commitments. As a public company, the Corporation must not only conduct, but must also be seen to conduct, its business in accordance with high ethical standards. The Code constitutes written standards that are reasonably designed to promote integrity, to deter wrongdoing and to address at a minimum, the fundamental principles set out in the full policy found at <https://www.coelacanth.ca/governance>.

Whistle Blower Policy

The Board has adopted a Whistleblower Policy to maintain the highest ethical standards in the conduct of its business. It is the policy of the Corporation to comply with, and require its directors, officers, employees, and key consultants to comply with, all applicable legal and regulatory requirements relating to the Corporation's business, including its corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders. Every employee has the responsibility to assist the Corporation in meeting these requirements. All Suppliers are made aware of the Whistle Blower Policy through Coelacanth's supply chain management system. The full policy can be found at <https://www.coelacanth.ca/governance>.

Activities

The Corporation is a growth oriented, exploration focused oil and natural gas company. The Corporation's primary areas of focus are presently in the Two Rivers area of north-eastern British Columbia. As at December 31, 2023, the Corporation's oil and gas assets produced approximately 923 boe/d of oil, natural gas and NGLs and the Corporation owned approximately 180,200 gross (162,600 net) acres of land.

In terms of operations, Coelacanth activities involve using geological and engineering techniques to identify hydrocarbons, and the use of suppliers of oilfield services for general field operations and for capital operations relating to the extractive process (the "Suppliers"). This includes operations such as the routine repair and maintenance of existing locations, the construction of multi-well pad locations for drilling and well completion activities, the construction and maintenance of emulsion and sales pipelines, the construction and maintenance of battery facilities, water disposal, recycling or storage sites, and site restoration and reclamation.

During 2023, Coelacanth contracted Suppliers and procured equipment for constructing pad locations, drilling 7 wells, and completing 6 wells. Coelacanth also enlisted Suppliers for reclamation work at various locations in the Two Rivers and Paradise regions of northeast BC.

Coelacanth's contracted labour Suppliers are already subject to strict federal and provincial labour laws and occupational health and safety regulations; however, Coelacanth recognizes that the supply chain may carry a risk of forced labour or child labour, especially through indirect materials procurement. As a preventative and mitigative measure, the Company has performed supply chain due diligence with respect to the Act as outlined below.

Supply Chain and Due Diligence Process

Coelacanth's supply chain is composed of approximately 150 Suppliers that provide goods and services that support oil and gas exploration and development in western Canada. All these Suppliers are domiciled in Canada and abide by federal and provincial labour standards and are subject to all Canadian federal and provincial regulations relating to oil and gas production and egress.

As a Prime Contractor, Coelacanth manages and performs its due diligence with respect to its Suppliers through its Supply Chain Management System ("SMS"). The SMS is managed by Coelacanth's Vice President, Drilling and Completions, and by the Chief Operating Officer. The SMS ensures the compliance with and captures attestations from Coelacanth Suppliers with respect to compliance with Coelacanth's Code of Business Conduct and Ethics, regulatory requirements, insurance requirements, and necessary certifications. In 2024, Coelacanth added a question set regarding Suppliers policies and procedures to address the risk of forced labour and child labour.

In addition to the SMS, Coelacanth relies on a health and safety management system ("HSE System") called *InUnison* that ensures compliance with health and safety regulations. All contractors and employees that enter Coelacanth worksites are required to sign off on job safety and hazard assessments. In 2024, Coelacanth initiated a job safety training module to be added to the *InUnison* platform that includes annual attestation of training for awareness of the risk of child labour and forced labour.

Forced Labour and Child Labour Risks and Steps Taken to Assess and Manage These Risks

Coelacanth recognizes the potential risks of forced labour or child labour in its supply chain and is committed to taking steps to assess and manage these risks.

To assess supply chain risk, Coelacanth performed an internal risk assessment that included operational mapping, supply chain mapping, reviewing the protocols and practices in place to manage this risk for employees, contractors, and Suppliers, and internally reviewing and surveying selected Suppliers in Coelacanth's SMS.

Through these processes, Coelacanth has assessed its direct supply chain to be low risk as the Corporation and its Suppliers are domiciled in Canada and most materials used in Coelacanth operations during 2023 are manufactured in Canada and the United States.

Going forward, the Company will work to assess and improve its processes with respect to the indirect supply chain and will work toward continuous improvement in our overall due diligence with respect to the Act.

Remediation Measures

Coelacanth did not become aware of any instances of forced labour or child labour relating to its operations or its Suppliers during its assessment for 2023. Accordingly, no remediation measures were undertaken and no remediation of loss of income was provided to any Suppliers or their families.

Training

Coelacanth has taken the following steps toward education and training on the Act and the risks of forced labour and child labour. These efforts include:

- Providing information with respect to the Act, and risks to its employees and contractors.
- Installing a Safe Work Practice training module in the Company's HSE System which is required of all contractors prior to entering Coelacanth's worksites.
- ESG Manager and CFO attendance at seminars / webinar relating to the Act and to the risk assessment process.
- ESG Manager reviewed literature relating to the risk of forced labour or child labour in supply chains for oil and gas operations in Canada and participated in industry working group about same.

Coelacanth is exploring additional means of training and education on the Act and external training relating to enhancing risk assessment, management, and mitigation, especially for indirect procurement practices.

Assessing the Effectiveness in Ensuring that Forced Labour and Child Labour are not Being Used in Entity's Business and Supply Chain

Other than the processes described herein, no further actions have been taken to assess the effectiveness of Coelacanth's methods of ensuring that forced labour and child labour are not being used in its supply chain. Coelacanth will work toward continuous improvement for 2024.

Approval and Attestation

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 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 Period listed above.

Date: May 30, 2024

A handwritten signature in black ink, consisting of a stylized 'H' and 'D' followed by a long horizontal line.

Name: Harvey Doerr, P.Eng.

Title: Director, Chair of ESG Committee

I have the authority to bind the corporation.

The Report was approved pursuant to Section 11(4)(a) of the Act by the Board of Directors of Coelacanth Energy Inc. on May 28, 2024.