

Modern Slavery Report 2023

Entrada Resources Inc.



This Modern Slavery Report (the "Report") addresses the period from January 1, 2023 to December 31, 2023 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 Entrada Resources Inc. ("Entrada" 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 Canadian Oil and Gas Company, Entrada recognizes the important role that we have in ensuring that our operations located in Alberta, Canada, and the supply chains that support these, adhere to the highest ethical standards, including the prevention and identification of forced labour and child labour in our supply chain. This Report sets out the steps we have taken during Fiscal 2023 to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by Entrada or of goods imported into Canada by Entrada, or third parties supplying Entrada.

2. Our Business

Entrada is an oil and gas company headquartered in Calgary, Alberta, Canada. We are engaged in the exploration and development of our oil and gas properties located wholly in the Province of Alberta. We are primarily focused on development of the Cardium formation at our properties located in the Willesden Green area northeast of Rocky Mountain House, Alberta.

Entrada'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 operation in developing and maintaining our conventional oil and gas properties.

In total, we procure goods and services from approximately 350 suppliers and contractors. The suppliers that we engage include businesses that are primarily local and adhere to regulations in Alberta and Canada for oil and gas production which are amongst the highest standards in the world.

Additional information regarding the corporate structure, operations, and industry conditions relating to Entrada are available on our website www.entradaresources.ca.

3. Our Policies

Policies

Through our organizational and governance policies we communicate our values and expectations, setting a high bar for ourselves, our suppliers, and our selling partners, and make it clear that we do not tolerate any forms of forced labour or child labour. We are committed to consistently evolving and improving our approach. We do not tolerate child, forced or bonded labour in any of our operations or by suppliers working for us. We make every effort, including through carrying our due diligence and audits to monitor the performance of our suppliers, to prevent our activities having a negative impact on human rights. Our relevant policies are discussed in further detail below:

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (the Code) is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Entrada employees should always act lawfully, ethically and in the best interests of Entrada.

Supplier Code of Conduct

Entrada's Supplier Code of Conduct details the requirements and expectations we have of our suppliers, their supply chains, and other service providers with whom we engage. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and consistently monitor and enforce our Supplier Code of Conduct in their own operations and supply chain. Our Supplier Code of Conduct also sets forth our principles of inclusivity and accountability. We engage with suppliers that are committed to these same principles and suppliers commit to these standards as a condition of doing business with us. We review our Supplier Code of Conduct on a periodic basis to ensure that this policy is in line with current best practices.

Whistleblower Policy

***Entrada's** Whistleblower policy, contained within the Code of Business Conduct and Ethics, provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination, or disadvantage. The Whistleblower policy is intended to encourage and enable employees to raise serious concerns within Entrada rather than overlooking a problem or seeking a solution outside Entrada. The Whistleblower policy applies to all employees and those contractors working for Entrada. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders, etc.) to voice their concerns regarding Entrada's business conduct.*

Due Diligence

We expect third parties with which we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. Before making any commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

We acknowledge that employees working in our facilities and our supply chain are at potential risk of forced labour or child labour. In order to mitigate this risk, we follow a due diligence approach that includes the following steps:

- *Monitoring and reviewing supply chains and business relationships*
- *Collecting supplier and service provider attestations on a risk-based basis*
- *Embedding responsible business conduct (EBC) into policies and management systems*
- *Identifying and assessing adverse impact in our operations*
- *Ceasing, preventing, or mitigating adverse impacts, by training and raising awareness and understanding of modern slavery and human trafficking amongst our employees and vendors*

4. Assessing Our Risk

Entrada engages in various activities to identify, assess, and manage supplier risk. In assessing the risk of forced and child labour in our business and supply chains, we have begun conducting risk assessments to help us identify potential areas of concern. To identify the business activities with the greatest exposure to these risks, we consider the following factors:

- *Reliance on low skilled workforce*
- *Dangerous or undesirable work*
- *Presence of migrant workers*
- *Presence of labour intermediaries*
- *Offshore production*
- *Long, complex, or non-transparent supply chains*
- *Presence of child labour*
- *Jurisdictional risks including poverty, conflict, and enforcement of international human rights standards.*

Our exposure to the risk of forced labour and/or child labour increases when we engage with third parties, particularly in categories such as construction materials sourced in whole or in part through third parties and offshore suppliers.

5. Our Commitments

Entrada Resources Inc. is committed to upholding the highest standards of ethical conduct, including the prevention of modern slavery and human trafficking in all aspects of our operations. As a Canadian oil and gas company, we recognize our responsibility to ensure that forced labour or child labour is not used at any step in the production of goods, whether in Canada or abroad, by us or within our supply chains. Below outlines the steps we've started to address and mitigate these risks:

- *Mapping supply chains;*
- *Monitoring our suppliers*
- *Conducting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;*
- *Engaging with supply chain partners on the issue of forced labour and/or child labour in the organization's activities and supply chains*
- *Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily;*
- *Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour;*

Remediation Measures

In accordance with the Act, Entrada has begun conducting an assessment of its activities and supply chain. This will continue and expand in subsequent reporting periods. We have not, at present, identified any incident of forced labour or child labour being used. We have not, to this point, have identified any need to take any measures to remediate an incident of forced labour or child labour.

Entrada acknowledges the importance of vigilance and ongoing monitoring to ensure that modern slavery risks remain mitigated within our operations and supply chains. We are committed to regularly reviewing our risk assessments and implementing any necessary remediation measure should the need arise in the future.

Our Code of Business Conduct and Ethics and our Whistleblower Policy require all employees and contract workers of Entrada to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In preparation of this report in accordance with the Act, we have identified gaps in our corporate governance mechanisms which we will supplement in the following reporting period.

In the event that we discover any forced labour or child labour in our business and supply chains, we will take the following measures to remediate such forced labour or child labour:

- *Suspension or termination of a supplier, sub-supplier or contractor;*
- *Actions to prevent forced labour or child labour and associated harms from reoccurring;*
- *Actions to support victims of forced labour or child labour*
- *Grievance mechanisms;*
- *Formal apologies*

Training

Entrada personnel at all levels are required to adhere to our Code of Business Conduct and Ethics and ensure that it is understood and properly applied to our daily activities. Every new employee of Entrada must review our mandatory training on our values and policies, including our Code of Business Conduct and Ethics, and is informed of how to report wrongdoing under our expanded Whistleblower Policy. We provide employees with ongoing and periodic training opportunities to ensure that all employees have current knowledge.

6. Our Progress and Effectiveness

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified.

We have selected certain key performance indicators (KPIs) with respect to human rights, including forced labour and child labour, and such KPIs will be reviewed by Entrada's senior leadership team on a go forward annual basis. Any non-conformances identified will be dealt with by the appropriate teams.

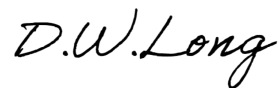
We will also assess the effectiveness of our policies by:

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour;*
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through reporting mechanisms and numbers of contracts with anti-forced labour and child labour clauses;*
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators.*

7. Approval & Signature

This Report was approved by Entrada's Board of Directors on May 25, 2024, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at www.entradaresources.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 Entrada Resources Inc. 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.



Daniel W. Long

President and CEO

May 29, 2024

I have the authority to bind Entrada Resources Inc.