



CARDINAL ENERGY LTD.

2023 MODERN SLAVERY REPORT

INTRODUCTION

Cardinal Energy Ltd. ("we", "our", the "Company" or "Cardinal") has created this report to meet our requirements pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Modern Slavery Act**").

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as "**modern slavery**") are violations of fundamental human rights and are occurring across the globe. As a Canadian oil and gas production company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards, which includes no use of modern slavery in our business or supply chains.

The Company is subject to the reporting requirements of the Modern Slavery Act. This report covers the Company's activities during our previous financial year, being from January 1, 2023 to December 31, 2023.

The Company takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

STEPS TAKEN DURING 2023

The Company first became aware of the Modern Slavery Act in late 2023 and subsequently engaged our legal counsel to assist in navigating the new reporting regime.

The Company took the following steps in 2023 to prevent and reduce the risk of forced labour or child labour in our business and supply chains:

- Established an internal working group to assess our current procedures and strengthen our current governance structure for handling modern slavery risks in our operations and supply chains.
- Initiated/attended various training and education efforts to increase awareness amongst senior management and key business units about our human rights policies and procedures concerning modern slavery.
- Initiated a review of existing internal policies and procedures against the requirements of the Modern Slavery Act, particularly focusing on the prevention of modern slavery in our supply chain.
- Engaged our external legal counsel to further assist us with our reporting requirements under the Modern Slavery Act, which consisted of several meetings in which they provided advice to us in

advance of, and following, the release of the government guidance in December 2023 pertaining to the Modern Slavery Act.

- Compiled a list of our vendors to begin gathering information on them to understand and identify risks associated with our supply chain.

We plan to build upon the groundwork undertaken in the first reporting period, emphasizing practical and cooperative strategies to combat modern slavery in our supply chains. Subsequent to the end of the reporting period we have or expect to:

- Roll out a mandatory pre-qualification modern slavery questionnaire in our compliance management system required to be completed by all approved suppliers, to confirm their awareness of the Modern Slavery Act and to assist us in gathering additional information around their policies and practices to mitigate modern slavery risks in their workplace and supply chains.
- Design a process for educating employees to ensure they understand, and that their activities align with, preventing modern slavery in our supply chain.
- Expand our existing policies, including our Code of Conduct, to address the Modern Slavery Act

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure

Cardinal is a Canadian company incorporated under the *Business Corporations Act* (Alberta) and is headquartered in Calgary, Alberta, Canada. Cardinal's common shares trade on the Toronto Stock Exchange (TSX) under the symbol CJ.

Operations

Cardinal is engaged in the acquisition, development, optimization and production of crude oil and natural gas in the provinces of Alberta, British Columbia and Saskatchewan.

Supply chains

Cardinal works with many direct suppliers to source materials and services, most of which are primarily based in Canada and some located in other countries. Although the majority of our materials and services are sourced from suppliers located in Canada, we acknowledge that numerous suppliers provide us with products originating from other jurisdictions, each with their own global supply chains. Our suppliers cover a wide range of disciplines including drilling, completions, construction, engineering, and professional services.

Additional information regarding the corporate structure and operations of the Company can be found in our 2023 Annual Information Form/annual financial statements and related management's discussion and analysis for the year ended December 31, 2023, which are posted on our website (www.cardinalenergy.ca) and filed on SEDAR+ (www.sedarplus.ca).

POLICIES AND DUE DILIGENCE

Policies

We are in the process of reviewing our existing policies in the context of modern slavery considerations, and we plan to further embed a due diligence process into our operations that will support risk identification, mitigation, and remediation. We intend to regularly evaluate our approach with respect to modern slavery to ensure the effectiveness of our methodology, including amending existing policies and implementing new policies, as necessary, to mitigate the risks of modern slavery from occurring in our business or operations to the extent determined necessary.

Due Diligence

Our aim is to ensure that our standards regarding safety, human rights, sustainability, and environmental practices are upheld throughout our supply chain and we have begun the process of compiling vendor information to better understand and identify risks associated with our supply chain. Standard forms of supply chain contracts used for the procurement of goods and services include requirements for supplier compliance with applicable laws and Cardinal policies. Additionally, Cardinal provides access to our Code of Business Ethics & Conduct to all new and existing employees, contractors and suppliers.

ACTIVITY AND SUPPLY CHAIN RISKS

The Company is not aware of any high-risk exposure to modern slavery associated with the Company's business or supply chains.

REMEDATION MEASURES

We are not aware of the existence of modern slavery in our business and the supply chains that support our operations and as such, we have not taken any measures to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of the Company's actions.

EMPLOYEE TRAINING

Cardinal directors, officers, employees, and consultants are required to certify that they have read, understand and will comply with our Code of Business Conduct and Ethics when joining Cardinal. We began raising awareness of our broader human rights policies and processes with regards to modern slavery with senior management and key business units. Cardinal is planning to develop a training program for its officers, employees and contractors in procurement and supply chain roles. Furthermore, Cardinal is dedicated to enhancing the capacity of our staff to comprehend, identify, and effectively manage the risks of modern slavery within our operations and throughout our supply chains.

ASSESSMENT OF EFFECTIVENESS

The Company has not yet implemented any policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Company's business or supply chains.

APPROVAL AND ATTESTATION OF THE REPORT

This report was approved by the Company's Board of Directors on May 24, 2024 pursuant to paragraph 11(4)(a) of the Modern Slavery Act and will be filed with the Minister of Public Safety and Emergency Preparedness.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest, on behalf of the Company, and with no personal liability, that the information in this report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.

I have the authority to bind Cardinal Energy Ltd.

Dated at Calgary, Alberta this 24th day of May, 2024.

(signed) *"M. Scott Ratushny"*
M. Scott Ratushny
Chief Executive Officer