



2023 Canpar Holdings Ltd. Modern Slavery Report

Canpar Holdings Ltd. ("we", "our", "Canpar" or the "Corporation") has created this report to meet our requirements pursuant to the *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 an oil and gas royalty company operating in Canada, 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 Corporation is a reporting entity as defined in the Modern Slavery Act. This report covers the Corporation's activities during our previous financial year, being from January 1, 2023 to December 31, 2023.

The Corporation 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

We did not take any steps in 2023 in relation to reducing the risks of modern slavery occurring in the Corporation's supply chain; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain.

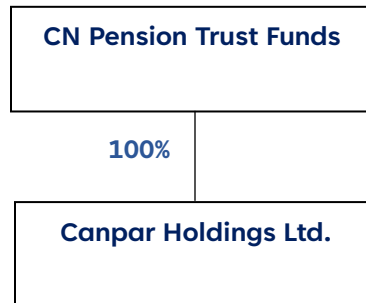
Nonetheless, in early 2024, we initiated an internal policy review in order to identify if any further training or policies would be advisable to further bolster our commitment to ensuring our supply chains are free from modern slavery.

We intend to continue to evaluate our reporting processes to ensure that our reporting with respect to modern slavery meets the statutory requirements.

Structure, Activities and Supply Chains

- **Structure:**

The following diagram sets forth the organizational structure of Canpar:



Relationship with Rife Resources Ltd.

Rife Resources Ltd. ("**Rife**") is an affiliate (sister company) of Canpar and is likewise 100% owned by CN Pension Trust Funds. In addition to managing the business of Rife and certain other entities, Rife's employees manage the business of Canpar.

Rife will be filing a separate report pursuant to the Modern Slavery Act.

Employees

As a result of the arrangements with Rife as described above, Canpar has no employees. On December 31, 2023, Rife had 99 full and part-time employees in the Calgary office and 6 full-time employees in their field operations.

- **Operations:**

Canpar has an extensive portfolio of approximately 4.1 million gross acres of producing and undeveloped mineral title lands in Alberta, Saskatchewan and Manitoba. In 2023, Canpar had annual average royalty production of 1,431 barrels of oil equivalent per day, consisting of 971 barrels per day of crude oil and natural gas liquids and 2,757 thousand cubic feet per day of natural gas. In addition to the royalty production, Canpar holds minor non-operated working interest gas production totaling 8 barrels of oil equivalent per day (45 thousand cubic feet per day of natural gas). This working interest production represents 0.5% of total production.

- **Supply chains:**

Canpar does not have significant supply chain activity as its role is predominantly as a royalty interest owner. As a royalty interest owner, Canpar does not pay any of the capital costs to drill and equip the wells for production on its properties, nor does it incur costs to operate the wells, maintain production, and ultimately restore the land to its original state. All of these costs are paid and coordinated by others. Canpar receives royalty income from gross production revenue (revenue before any royalty expenses and operating costs are deducted). In 2023, the costs associated with

supply chain activity for our minor non-operated working interest assets were less than 1% of our total revenue.

Accordingly, Canpar's key vendors are professional advisors (legal, audit, tax, reserves, human resources, banking, insurance), software applications and regulatory services.

Policies and Due Diligence

Policies

As Canpar's business is managed by Rife, Canpar does not have its own Code of Business Conduct and Conflict of Interest Policy; however, Rife's Code of Business Conduct and Conflict of Interest Policy (the "**Rife Code**") is applicable to Canpar's directors and officers as well as Rife's employees and consultants who manage Canpar's business. The Rife Code requires all directors and officers of Canpar and all employees and consultants of Rife to have high standards of professional and ethical conduct. The Canpar directors and officers are the same as the Rife directors and officers. In addition, the Rife Code requires compliance with the spirit and the letter of all applicable laws, rules and regulations including the Modern Slavery Act and any other legislation relating to modern slavery.

Canpar does not have its own Whistleblower Policy; however, Rife's Whistleblower Policy is applicable, pursuant to which Canpar's directors and officers, as well as Rife's employees and consultants can anonymously report wrongdoing. Canpar has committed to promptly and thoroughly investigate any reports and complaints made thereunder.

In addition to the above, 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

The Corporation has not historically undertaken any steps to conduct due diligence relating to mitigating the risks of modern slavery occurring in relation to our business or operations; however, we are not aware of any high-risk exposure to modern slavery associated with the Corporation's supply chain. We may in the future consider implementing additional procedures to ensure we are not unknowingly engaged in business with any entities involved in modern slavery.

Activity and Supply Chain Risks

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

Remediation 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 Corporation's actions.

Employee Training

The Corporation has ensured that the Canpar directors and officers as well as Rife employees are aware of the new reporting requirements under the Modern Slavery Act.

Rife employees annually acknowledge their commitment to adhering to the Rife Code.

Finally, Canpar is actively considering the implementation of specific employee training, but has not yet implemented a program as Canpar is not aware of any high-risk exposure to modern slavery associated with the Corporation's business or supply chains.

Assessment of Effectiveness

The Corporation has not yet implemented any specific policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Corporation's business or supply chains, although Canpar closely monitors compliance with the Rife Code through whistleblower reporting, through which there have been no complaints in 2023.

Approval and Attestation of the Report

This report was approved by the Corporation's Board of Directors in respect of the Corporation on May 23, 2024 pursuant to paragraph 11(4)(b)(ii) 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 listed above. Based on my knowledge, and having exercised reasonable diligence, I attest, on behalf of the Corporation, 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.

(signed) "Mathieu Roy"

Mathieu Roy
Chair of the Board
May 23, 2024

I have the authority to bind the Corporation.