

## **Capitan Investment Ltd.**

### **Forced Labour and Child Labour in Canadian Supply Chains Report 2025 Reporting Cycle**

**Reporting Period: January 1, 2025 – December 31, 2025**

Prepared pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)

Date of Approval: May 7, 2026

#### **1. Introduction and Legislative Context**

This Report is prepared in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”) for the reporting period of January 1, 2025 to December 31, 2025.

The Act requires reporting entities to describe the measures taken during the reporting year to prevent and reduce the risk that forced labour or child labour is used in their activities or supply chains.

Although the statutory requirements of the Act remain unchanged from the previous reporting cycle, Public Safety Canada has issued updated guidance for the 2026 cycle emphasizing clarity of risk explanations, completeness of reporting, strengthened attestation language, and exclusion of personal information. This Report reflects those updated expectations.

#### **2. Corporate Structure and Organizational Overview**

Capitan Investment Ltd. (“Capitan” or the “Company”) is incorporated under the Business Corporations Act (Alberta) and listed on the TSX Venture Exchange (TSXV) under the symbol CAI.V.

The Company’s corporate structure includes:

- Capitan Investment Ltd. (parent entity);
- GG Capital Holdings Inc., a wholly owned U.S. subsidiary incorporated in Delaware.

This Report applies to both entities where relevant. Management has reviewed subsidiary operations to assess potential supply chain exposure.

#### **3. Description of Business Activities**

The Company operates in two principal areas:

1. Investment Holdings – Through GG Capital, the Company earns returns from real estate-related investments managed by independent third-party operators in the United States.

2. Canadian Oil & Gas Interests – The Company operates two wells and participates in certain non-operating interests in Alberta. Activities include routine maintenance, regulatory compliance, abandonment planning, and environmental management.

The Company does not conduct manufacturing activities and does not directly employ large-scale production labour forces.

#### **4. Supply Chain Overview**

The Company's supply chain primarily consists of:

- Oilfield service providers;
- Equipment and material suppliers;
- Environmental and reclamation contractors;
- Professional service providers (legal, accounting, engineering).

Vendors engaged for oil and gas activities are primarily Canadian-based entities subject to Alberta Energy Regulator (AER) oversight and Canadian labour laws.

#### **5. Reporting Obligation and Assessment of 'Very Minor Dealings'**

The Company imports certain oilfield equipment and materials into Canada for operational purposes.

An internal evaluation was conducted to determine whether such imports constitute “very minor dealings” under updated 2026 guidance. The Company concluded that these imports are integral to its oil and gas operations and therefore do not qualify as negligible or incidental. Full reporting obligations under the Act apply.

#### **6. Governance and Accountability Framework**

Oversight of compliance with the Act is exercised at multiple levels:

- The Chief Executive Officer holds ultimate accountability for report accuracy;
- Senior management oversees implementation of due diligence measures;
- The Board of Directors reviews and approves this Report prior to submission.

Internal controls support compliance with securities law obligations, including National Instrument 52-109

regarding disclosure controls and procedures.

## **7. Risk Identification and Assessment Methodology**

The Company applies a risk-based methodology considering:

- Geographic exposure (country-level forced labour risk indicators);
- Industry and sector vulnerability;
- Nature of imported goods;
- Subcontracting layers within vendor operations;
- Potential migrant labour reliance;
- Subsidiary exposure assessment.

During 2025, management reviewed vendor profiles, procurement documentation, and import categories. No high-risk jurisdictions were directly engaged. No incidents of forced labour or child labour were identified.

## **8. Due Diligence and Vendor Controls**

The Company implements the following due diligence measures:

- Vendor eligibility review and regulatory standing verification;
- Inclusion of contractual clauses prohibiting forced and child labour;
- Written confirmations of compliance where appropriate;
- Centralized document retention in the Company's electronic record system;
- Escalation procedures for compliance concerns.

Procurement files are maintained in retrievable format for audit or regulatory inspection.

## **9. Training and Awareness Programs**

In 2025, mandatory training was delivered to directors and senior officers.

Training covered:

- Definitions and legal framework of forced and child labour;
- Sector-specific risk indicators;
- Reporting obligations under the Act;
- Internal reporting and escalation procedures.

Training duration was approximately two hours and attendance was documented internally.

## 10. Remediation and Corrective Action Framework

Although no incidents were identified during the reporting period, the Company maintains a structured remediation protocol.

If forced or child labour were identified, the Company would:

- Prioritize the safety and welfare of affected individuals;
- Engage vendors to implement corrective action plans;
- Suspend or terminate non-compliant vendor relationships where appropriate;
- Provide access to grievance mechanisms;
- Document all investigative and corrective steps taken.

Remediation actions would be proportionate and mindful of unintended economic harm to vulnerable individuals.

## 11. Monitoring and Effectiveness Assessment

Effectiveness of the Company's measures is evaluated through:

- Annual review of vendor relationships;
- Confirmation of training completion;
- Internal documentation review;
- Board oversight prior to filing;
- Ongoing monitoring of Public Safety Canada guidance.

The Company views compliance as an evolving process and will continue to enhance controls where appropriate.

## 12. Subsidiary Risk Review

GG Capital Holdings Inc. primarily engages in passive investment activities and does not manage direct goods importation into Canada.

Management assessed subsidiary operations and determined no additional material forced labour or child labour risk was introduced during 2025.

## 13. Exclusion of Personal Information

Consistent with updated 2026 guidance, this Report excludes personal information.

The Report does not include:

- Names of individual workers;
- Employee personal data;
- Supplier personnel personal data;
- Sensitive private information.

Only corporate-level information necessary to satisfy statutory reporting requirements is included.

#### 14. Future Commitments

The Company remains committed to:

- Continuous improvement of supply chain transparency;
- Annual risk reassessment;
- Updating training materials as guidance evolves;
- Strengthening documentation and audit readiness;
- Aligning reporting practices with regulatory expectations.

#### 15. Approval and Attestation

This Report was approved by the Board of Directors of Capitan Investment Ltd. on May 7, 2026.

In accordance with Section 11 of the Act, I attest that I have reviewed the information contained in this Report and, based on my knowledge and reasonable diligence, the information is true, accurate, and complete in all material respects for the purposes of the 2026 reporting cycle.

Approved by CEO Panwen Gao

Panwen Gao  
Chief Executive Officer  
Capitan Investment Ltd.  
May 7, 2026

I have the authority to bind Capitan Investment Ltd.