



Paramount
resources ltd.

**Report under the
Fighting Against Forced Labour and Child Labour in Supply Chains Act
For the Year Ended December 31, 2025**

May 11, 2026

INTRODUCTION

This report is made by Paramount Resources Ltd. ("Paramount" or the "Company") pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the "Act") for the financial year ending December 31, 2025.

STRUCTURE AND OPERATIONS

Paramount is an independent, publicly traded Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas. All of Paramount's operations and oil and natural gas properties are located onshore in Western Canada, primarily in Alberta and British Columbia.

Paramount is incorporated under the *Business Corporations Act* (Alberta). The Company's corporate and registered office is located at Suite 4700, 888 – 3rd Street SW, Calgary, Alberta T2P 5C5. Paramount's class A common shares are listed on the TSX under the symbol "POU".

The Company has one material wholly-owned subsidiary, Fox Drilling Limited Partnership, which owns and operates drilling rigs used primarily in Paramount's operations. No subsidiaries of Paramount are reporting entities for the purposes of the Act and this report is not a joint report of Paramount and any subsidiaries.

At December 31, 2025, Paramount had 250 head office employees and 165 field employees. All of the Company's employees are located in Western Canada.

A complete description of Paramount's properties and operations is provided in its annual information form for the year ended December 31, 2025, which can be accessed on the Company's website at www.paramountres.com or on SEDAR+ at www.sedarplus.ca.

SUPPLY CHAIN

Paramount's supply chain consists of suppliers, vendors and contractors ("Suppliers") who provide goods and services in connection with the oil and gas exploration, development and production process. In 2025, approximately 99% of the Company's direct expenditures on oilfield goods and services were paid to Suppliers domiciled in Canada, with most of the remainder paid to Suppliers domiciled in the United States.

Suppliers are primarily contracted through the Company's Supply Chain Management department, which is under the supervision of Paramount's Executive Vice President, Operations.

POLICIES

Paramount's Code of Business Conduct is the primary policy of the Company respecting the ethical conduct of its business. The Code of Business Conduct applies to all of the directors, officers, employees and consultants of Paramount and of its subsidiaries. The Audit Committee of the Company's Board of Directors (the "Board") receives, annually, certificates from Paramount's officers and senior management confirming their compliance with the Code of Business Conduct. In addition, each employee and consultant receives annually a communication reiterating the need to comply with the Code of Business Conduct. A complete copy of the Code of Business Conduct is available on the Company's website at www.paramountres.com or on SEDAR+ at www.sedarplus.ca.

The Code of Business Conduct specifically provides that Paramount and all of its personnel are required to comply with all applicable laws pertaining to human rights, labour rights, freedom of association, collective bargaining and working hours. This includes applicable laws designed to identify and address the risk of child labour, forced labour, human trafficking and modern slavery in the Company's supply chain, including the Act.

The Company's standard contractual terms and conditions ("Standard Terms") require Suppliers to: (i) acknowledge they have reviewed and will adhere to Paramount's policies and procedures, including the Code of Business Conduct; (ii) comply with all applicable laws and regulations; and (iii) impose similar terms and conditions on their subcontractors. In addition, the Standard Terms: (i) clarify that the requirement to comply with all applicable laws and regulations includes all applicable laws designed to identify and address the risk of child labour, forced labour, human trafficking and modern slavery in its supply chain, including the Act; (ii) contain a requirement for the Supplier to promptly report to the Company any suspected or reported instances of forced labour or child labour in the Supplier's workforce or any tier of its supply chain; and (iii) provide for termination if a Supplier's performance is not acceptable, including any failure to comply with the Standard Terms, applicable laws or regulations or Paramount's policies or procedures.

DUE DILIGENCE PROCESSES AND RISK ASSESSMENT AND MANAGEMENT

Paramount's business activities are carried out exclusively in Western Canada in compliance with applicable labour and employment laws, including those governing minimum working age and working conditions. Accordingly, the Company believes that there is no appreciable risk of forced labour or child labour in its direct operations. Therefore, Paramount has not adopted any due diligence process specifically aimed at identifying instances of forced labour or child labour in its direct operations over and above its general processes and procedures for monitoring compliance with the laws and regulations applicable to its business.

Paramount recognizes that there is a risk of forced labour or child labour in its supply chain, particularly with respect to the indirect procurement of goods produced in higher risk industries or that may have been originally sourced from higher risk jurisdictions. In 2025, the Company furthered its supply chain due diligence by undertaking a more in-depth risk assessment of three current suppliers of the Company identified in previous due diligence as exhibiting a higher inherent risk of forced labour or child labour due to their product sourcing locations and the nature of their industries and the products they supply. The assessment process consisted of: (i) a review of the modern slavery risk management practices implemented by these suppliers; and (ii) direct engagement with the suppliers, including, in one instance, with a member of senior management, to gain a more detailed understanding of how modern slavery risks are being addressed within their respective organizations and supply chains.

REMEDATION MEASURES

Paramount did not become aware of any instances of forced labour or child labour in its operations or supply chain in 2025. Consequently, the Company did not take any measures to remediate: (i) any adverse impacts of forced labour or child labour; or (ii) the loss of income to the most vulnerable families resulting from any measure taken to eliminate the use of forced labour or child labour.

TRAINING

Over the course of 2023 and 2024, Paramount's Supply Chain Management group was required to complete training designed to enable the participants to: (i) improve their understanding of the underlying concepts of forced labour and child labour; (ii) recognize signs of forced labour and child labour in supply chains; (iii) understand the requirements of the Act; (iv) contribute to and lead discussions with Suppliers and others about the risks of forced labour and child labour; and (v) apply ethical decision making in their professional roles in order to contribute to the Company's commitment to respecting and protecting human rights. Paramount did not provide any additional training to employees on forced labour or child labour in 2025.

ASSESSMENT OF EFFECTIVENESS

Other than the actions described in this report and the review and approval of this report by the Board, no actions were taken by Paramount in 2025 to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chain.

APPROVAL AND ATTESTATION

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board.

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. 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 purpose of the Act for 2025.

I have the authority to bind Paramount.

(signed) "James H.T. Riddell"

Full name: James H.T. Riddell

Title: Chair of the Board and President and Chief Executive Officer

Date: May 11, 2026