



**January 12, 2023**

Section: ADMINISTRATION	Name: <b>CODE OF BUSINESS CONDUCT ACKNOWLEDGEMENT</b>	Number: 3001
Issued By: CORPORATE SECRETARY	Approved By: Linda Heathcott-Southern	Page 1 of 1

It is corporate policy that each Director and Officer of AKITA Drilling (the "Company") execute an acknowledgment on an annual basis stating that they agree to comply with the Code of Business Conduct (the "Code").

In addition to the Directors and Officers, each employee of the Company who:

- a) has executive, managerial, or supervisory responsibilities;
- b) procures goods or services on behalf of the Company;
- c) deals with government officials on behalf of the Company;
- d) prepares accounts receivable, accounts payable or is involved in other financial transactions;

or

- e) has access to confidential information regarding the Company,

is required to execute an acknowledgment stating that they agree to comply with the Code.

Accordingly, all Company Rig Managers, Field Supervisors, and salaried employees in both Canada and the United States who meet any of the qualifications set out in subparagraphs (a) to (e) above ("Qualified Employee") must execute the Code Acknowledgment.

On behalf of the Executive Chairman and Chief Executive Officer, the Corporate Secretary will request each Director to complete and sign the prescribed Form of Director Acknowledgment when they are appointed to the board and at least once per year after that.

At the time of the commencement of their employment and annually after that, each Officer and Qualified Employee shall complete and sign the prescribed Form of Officer/Employee Acknowledgment, which will be retained in such Officer's or Qualified Employee's personnel file.

All hourly field employees or salaried employees who do meet any of the qualifications set out above in subparagraphs (a) through (e) will be provided with Sections **H and I** of the Code, which establish rules relating to the confidentiality of company information and access to personal and other information, which may be obtained as a result of employment with the Company.

In the first quarter of each year, the Corporate Secretary shall confirm to the Executive Chairman and Chief Executive Officer that each Director, Officer, and Qualified Employee, has completed and signed the form of Officer/Employee Acknowledgment or the Form of Director Acknowledgment.

Any Director, Officer, or Employee who is aware of any contravention of this Code is expected to report the matter promptly to the Executive Chairman and Chief Executive Officer in the case of a director. In the case of an Officer or Employee, to the appropriate President or supervisor, who will inform the Executive Chairman and Chief Executive Officer.



## **CODE OF BUSINESS CONDUCT**

The provisions of this Code are mandatory and full compliance by directors, officers and employees, is expected under all circumstances. The Code affirms the Company's commitment to uphold high moral and ethical standards and to specify the basic norms of behaviour for those who are involved in representing it.

**A. THE COMPANY AND ITS DIRECTORS, OFFICERS AND EMPLOYEES SHALL COMPLY WITH THE LETTER AND SPIRIT OF ALL LEGAL REQUIREMENTS, BOTH DOMESTIC AND FOREIGN, APPLICABLE TO THE COMPANY'S BUSINESS.**

Whenever a director is in doubt about the application or interpretation of any legal requirement, he or she should refer the matter to the President. Many of the Company's activities are subject to complex and changing laws. Ignorance of the law is not, in general, a defense should such laws be contravened. Moreover, agreement or arrangements need not necessarily be in writing to be contrary to such laws since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, directors, officers and employees must diligently ensure that they are aware that their conduct cannot be interpreted as being in contravention of laws governing the affairs of the Company.

**B. DIRECTORS, OFFICERS AND EMPLOYEES SHALL NOT FURNISH, DIRECTLY OR INDIRECTLY, ON BEHALF OF THE COMPANY, EXPENSIVE GIFTS OR PROVIDE EXCESSIVE ENTERTAINMENT OR BENEFITS TO OTHER PERSONS.**

Directors, officers and employees whose duties permit them to do so may furnish modest gifts, favours and entertainment to persons, other than public officials, provided all of the following tests are met:

- i) they are not in cash, bonds or negotiable securities and are of limited value so as not to be capable of being interpreted as a bribe, pay off, commission or other improper payment;
- ii) they are made as a matter of general and accepted business practice;
- iii) they do not contravene any law and are made in accord with generally accepted ethical practices; and
- iv) if subsequently disclosed to the public, their provision would not in any way embarrass the Company or their recipients.

For example, reasonable expenses for the entertainment of customers, prospective employees or business associates are permitted by individuals whose duties involve the provision of such entertainment.

**C. ALL DEALINGS BETWEEN DIRECTORS, OFFICERS AND EMPLOYEES OF THE COMPANY AND PUBLIC OFFICIALS ARE TO BE CONDUCTED IN A MANNER THAT WILL NOT COMPROMISE THE INTEGRITY OR IMPUGN THE REPUTATION OF ANY PUBLIC OFFICIAL OR THE COMPANY.**

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation, whether directly or indirectly, in any bribes, kickbacks, indirect contributions or similar payments is expressly forbidden, whether or not they might appear to further the business interests of the Company. Maintenance of a high standard of integrity is of the utmost importance to the Company.

Since the furnishing, on behalf of the Company, of even inexpensive gifts or modest entertainment or benefits to a public official may be open to the interpretation that it was furnished illegally to secure the use of his or her influence as a public official, no such gift, entertainment or benefit may be furnished by a director, officer or employee unless he or she is authorized by the board of directors of the Company (the "Board") to do so and complies with conditions prescribed by the Board in that regard.

**D. ALL DEALINGS BETWEEN THE COMPANY AND ITS CUSTOMERS, SUPPLIERS AND COMPETITORS WILL BE CONDUCTED FAIRLY.**

Any director, officer or employee who deals with the Company's customers, suppliers and competitors must do so fairly and honestly and must not take unfair advantage of anyone.

**E. THE USE OF THE COMPANY'S FUNDS, GOODS OR SERVICES AS CONTRIBUTIONS TO POLITICAL PARTIES, CANDIDATES OR CAMPAIGNS**

Contributions to Political Parties, Candidates or Campaigns on behalf of the Company shall only be made with the express permission of the President, Executive Chairman and CEO of the Company. Contributions include money or anything having value, such as loans, services, entertainment, trips and the use of the Company's facilities or assets. Further, no director, officer or employee is to be reimbursed for any contributions which he or she might make. The Company encourages political activity and political involvement by its directors, officers and employees acting on their own behalf but not as representatives of the Company.

**F. OFFICERS AND EMPLOYEES SHALL NOT USE THEIR STATUS WITH THE COMPANY TO OBTAIN PERSONAL GAIN FROM THOSE DOING OR SEEKING TO DO BUSINESS WITH THE COMPANY.**

The Company prohibits officers and employees from accepting gifts, payments, services, fees, special valuable privileges, pleasure or vacation trips or accommodations or loans from any person (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any organization or group that does, or is seeking to do business with the Company, or from a competitor of the Company. However, officers and employees may accept nominal gifts, favours or entertainment provided that in so doing standards consistent with the tests relating to the furnishing of gifts set forth in Section "B" are met. The Company expects all employees and officers to use good judgment in determining what is acceptable. To assist in that process, the Company defines reasonable gifts as those that are nominal in value and occur infrequently. Nominal in the context of this Code is any gift (products or merchandise, meals, payments, loans or favours) valued at less than \$250 or tickets to sporting, cultural or social events valued at less than \$600. Any gifts offered beyond this value require the prior consent of your supervisor. In no circumstances shall an employee or officer accept a gift, nominal or otherwise, where the acceptance of that gift

creates a sense of obligation to conduct business with the gift provider on less favourable terms that the Company may otherwise conduct.

**G. DIRECTORS, OFFICERS AND EMPLOYEES MUST AVOID ALL SITUATIONS IN WHICH THEIR PERSONAL INTERESTS CONFLICT OR MIGHT CONFLICT WITH THEIR DUTIES TO THE COMPANY.**

**Note:** Directors, officers and employees should seek to avoid acquiring any interests or participating in any activities that would tend:

- a) to deprive the Company of the time or attention required to perform their duties properly; or
- b) to create an obligation or distraction which would affect their judgment or ability to act solely in the Company's best interest.

In certain instances, ownership of or participation in ownership of a competing or of a complementary business enterprise might create or appear to create such a conflict. Officers and employees are required to disclose to their supervisors in writing, or as may be otherwise authorized, all business or commercial or financial interests or activities where such interests or activities might reasonably be regarded as creating an actual or potential conflict with their duties.

Products, services, publications, or software developed by an employee or teams of employees utilizing Company resources remain the property of the Company. In cases where an officer or employee or group of officers or employees wishes to utilize such products, services, publications or software (property) in any outside venture either revenue generating or not, the officer or employee or group of officers or employees must disclose his, her or its intentions to the President, Executive Chairman and CEO of the Company. The President, Executive Chairman and CEO may approve or deny the use of said property or when required by statute or the bylaws of the Company seek Board approval or rejection of the use of said property provided that such approval or denial does not disadvantage the Company either commercially or otherwise.

Under the circumstances where secondary employment is desired by an officer or employee, such officer or employee shall disclose in writing the interest to the President, Executive Chairman and CEO who may grant specific approval in writing, provided that no conflict of interest or interference with the performance of his present duties exists.

Every officer of the Company and every employee who is charged with executive, managerial or supervisory responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influences of any interest at that might reasonably be regarded as conflicting with those of the Company.

No officer or employee shall accept membership in or an appointment to the board of directors, a standing committee, or similar body of any outside company, organization or governmental agency (other than industry, professional, social, charitable, educational, religious, trade union or legal political organizations) without prior approval of the President, Executive Chairman and CEO of the Company whether or not a possible conflict of interest might result from the acceptance of any such appointment; provided, however, that all officers and employees shall at all times have and enjoy all rights accorded to them by the Canadian Bill of Rights and any similar governmental legislation existing in the area in which the officers and employees respectively reside.

The law provides that if an employee improperly gains personal financial benefit, directly or indirectly, through a spouse or child or a relative from his employment by the use or misuse of the Company's property or of information that is confidential to the Company's

business, then the employee must account to the Company for any benefit received. Employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest, but the very appearance of conflict should be avoided.

**H. DIRECTORS, OFFICERS AND EMPLOYEES SHALL NOT USE FOR THEIR OWN FINANCIAL GAIN OR DISCLOSE FOR THE USE OF OTHERS, CONFIDENTIAL INFORMATION OBTAINED AS A RESULT OF THEIR RELATIONSHIP WITH THE COMPANY.**

Directors, officers and employees may find themselves in violation of applicable securities laws if they misuse information not generally known to the public and either trade or induce others to trade in the Company's stock or in the stock of another company, and benefit from this information either directly or indirectly (such as through a spouse, friend or relative). Specific confidential information would include information concerning significant discoveries, sales or earnings figures, or information concerning major contracts, proposed acquisitions or mergers.

Further, the Company prohibits the hedging of equity based compensation and other securities awarded to recipients.

**I. CONFIDENTIAL INFORMATION**

The Company's securities are publicly traded therefore the Company and its directors, officers and employees have legal obligations under applicable securities laws and may be found in violation of these laws.

The Company and its directors, officers and employees cannot selectively disclose information to individuals or organizations, which could have a positive or negative impact on the Company's share price. Examples include day rates, large contracts, sales and earnings figures, proposed acquisitions and mergers.

The Company and its directors, officers and employees must not reveal information to suppliers and subcontractors that is not required by the supplier or subcontractor in the course of providing quotations, pricing, supplies and services.

All information obtained by the Company and its directors, officers and employees in the conduct of drilling operations before, during and after a drilling program, including but not limited to the name of the operator, well name and number, depth, formations penetrated, the running of casing and the running of abandonment plugs shall be considered the confidential information of the operator and shall not be divulged by the Company or its directors, officers and employees to any third party other than the operator's designated representative or used by the Company or its directors, officers and employees for any other purpose. Personal information concerning directors, officers and employees including but not limited to social insurance numbers, dates of birth, sexual preference, religion, marital status, health, dependents and financial status must not be revealed to any person or organization unless as required in the provision of group benefit and retirement programs, administration of payroll or as required by court order and/or federal or provincial laws.

All laws and regulations regarding the use of personal information must be complied with at all times by the Company and its directors, officers and employees.

In the event that further interpretation of this policy is required, please contact either the Vice President of Finance and CFO or the Corporate Secretary.

**J. THE COMPANY'S BOOKS AND RECORDS MUST REFLECT, IN AN ACCURATE, FAIR AND TIMELY MANNER, THE TRANSACTIONS AND DISPOSITION OF ASSETS OF THE COMPANY.**

All transactions must be properly authorized and executed in accordance with the instructions of management and must be recorded so as to permit the accurate preparation of financial statements and maintain accountability for assets.

Access to assets is permitted only in accordance with the authorization of management.

No undisclosed or unrecorded funds or assets are permissible. The use of the Company's funds or assets for any unlawful or improper purpose is strictly prohibited and those responsible for the accounting and record-keeping functions are expected to be vigilant in ensuring enforcement of this prohibition.

**K. DIRECTORS, OFFICERS AND EMPLOYEES SHOULD PROTECT COMPANY FUNDS AND REPORT ANY LOSS OR MISAPPROPRIATION OF MONEY OR COMPANY PROPERTY, OR ANY FRAUD OR THEFT.**

All money received (such as in payment for services, equipment and supplies) must be credited to the appropriate customer and deposited to the appropriate Company bank accounts. Vouchers, drafts and bills payable by the Company will be approved in accordance with approval authorities. Close scrutiny and definite knowledge that they cover legitimate and appropriate Company expenses is required.

Directors, officers and employees have a duty to report illegal or unethical accounting matters or behaviour, or any fraud or theft of which they become aware. For more information, refer to the Company's Whistle Blowing Policy and Whistle Blowing Procedure.

**L. USE OF THE INTERNET BY DIRECTORS, OFFICERS AND EMPLOYEES IS PERMITTED AND ENCOURAGED WHERE SUCH USE IS SUITABLE FOR BUSINESS AND SUPPORTS THE GOAL AND OBJECTIVES OF THE COMPANY AND ITS BUSINESS UNITS.**

The Internet is to be used in a manner that is consistent with the Company's standards of business conduct and as part of the normal execution of the responsibilities of a director, officer or employee.

Company-provided Internet/Intranet and e-mailing privileges, computer systems and networks are company resources and are to be used strictly in accordance with Company's Information Technology Usage Policy only. Directors, officers and employees should be aware that usage is monitored for unusual activity.

**M. OFFICERS AND EMPLOYEES MUST AT ALL TIMES TREAT EACH OTHER, CUSTOMERS AND SERVICE PROVIDERS IN A COURTEOUS, PROFESSIONAL, AND RESPECTFUL MANNER.**

**ALTHOUGH THE VARIOUS MATTERS DEALT WITH IN THIS CODE DO NOT COVER THE FULL SPECTRUM OF THE ACTIVITIES OF DIRECTORS, OFFICERS AND EMPLOYEES, THEY ARE INDICATIVE OF THE COMPANY'S COMMITMENT TO THE MAINTENANCE OF HIGH STANDARDS OF CONDUCT AND ARE TO BE CONSIDERED DESCRIPTIVE OF THE TYPE OF BEHAVIOUR EXPECTED FROM DIRECTORS, OFFICERS AND EMPLOYEES IN ALL CIRCUMSTANCES, WHERE APPROPRIATE.**



## CODE OF OFFICER/EMPLOYEE BUSINESS CONDUCT

### OFFICER/EMPLOYEE ACKNOWLEDGMENT

I acknowledge that I have received and reviewed the Company's Code of Business Conduct (the "Code") dated January 12, 2023 and that I agree to comply with the Code and warrant that I have complied with the Code over the previous year, and have disclosed, or will disclose, any transactions or matters of a questionable nature to my supervisor.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Location

Date: \_\_\_\_\_