

COURT/ESTATE FILE NUMBER B301-276975
25-3276975



COURT COURT OF KING'S BENCH OF ALBERTA SH
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF BLUE SKY RESOURCES LTD.

DOCUMENT **AFFIDAVIT OF MIKE BOUVIER**

DLA Piper (Canada) LLP
1000, 250 2 Street SW
Calgary, Alberta T2P OC1

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Lawyer: Carole J. Hunter / Anthony Mersich
Phone Number: (403) 698 8782 / (403) 766-8819
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anthony.mersich@ca.dlapiper.com

File No. 101988-00025

AFFIDAVIT OF MIKE BOUVIER

Sworn on October 30, 2025

I, MIKE BOUVIER, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Interim President of Blue Sky Resources Ltd. ("**Blue Sky**"). I am responsible for oversight of the accounting, engineering, production, land, compliance, and M&A staff. As such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.

Background

2. Blue Sky is an oil and gas exploration company with assets in Alberta, British Columbia and Saskatchewan. Further background information on Blue Sky is set out in the Affidavit of Ilyas Chaudhary sworn October 8, 2025.P

3. Blue Sky filed a Notice Intention to Make a Proposal ("**NOI**") under Part III of the *Bankruptcy and Insolvency Act* on September 24, 2025. KSV Restructuring Inc is the proposal trustee (the "**Proposal Trustee**") for Blue Sky in its NOI proceedings (the "**NOI Proceedings**").

4. I was appointed as Interim President on Blue Sky on October 24, 2025, following the resignation of Ilyas Chaudhary as President. I have worked in the oil and gas industry for several years and prior to my appointment as President, I was the Vice President, Business Development at Blue Sky for five years.

5. Mr. Chaudhary remains the sole director of Blue Sky.

Sale of Royalty Interests

6. Prior to the commencement of the NOI Proceedings, Blue Sky had entered into discussions with certain parties to purchase Blue Sky's interests in a gross overriding royalty on certain oil and gas properties in Alberta (the "**GORs**"). Blue Sky engaged Sayer Energy Advisors ("**Sayer**") to complete a valuation of the GORs to ensure that any purchase price offered represented fair market value.

7. Discussions for the sale of the GORs has continued since the commencement of the NOI Proceedings and Blue Sky has received two non-binding expressions of interest which it is actively pursuing. The GORs are on undeveloped land and Blue Sky is currently receiving no royalty revenue under the GORs. The ability of Blue Sky to generate any royalty revenue is dependent on if and when wells are drilled on the lands where the GORs are present.

8. If formal agreements are entered into with these parties prior to the hearing of the application on November 7, 2025, it is Blue Sky's intention to seek approval and vesting orders in respect of these transactions from this Honourable Court.

9. Any proceeds received from these transactions would be utilized by Blue Sky to address safety and compliance issues on its oil and gas properties, and, in consultation with the Alberta Energy Regulator ("**AER**"), to complete reactivations on properties that are cashflow positive.

Proposed Sales and Investment Solicitation Process

10. During the NOI Proceedings, a sale and investment solicitation process ("**SISP**") will be conducted to solicit interest in the sale of or investment in, the business and property of Blue Sky. This could include the sale of all or substantially all or some portion of the assets of Blue Sky to one or more purchasers or the sale of the business to a party that is interested in continuing the oil and gas operations of Blue Sky.

11. The SISP contemplates the engagement of Sayer, as sales agent (the "**Sales Agent**"). Attached hereto and marked as **Exhibit "A"** is a redacted copy of the engagement letter between Blue Sky and the Sales Agent dated October 28, 2025.

12. Attached hereto and marked as **Exhibit "B"** is a copy of the proposed form of SISP, which includes the following milestones:

Milestone	Deadline
Commencement Date	December 5, 2025
Bid Deadline	January 29, 2026
Definitive Agreement Deadline	February 20, 2026
Closing Date Deadline	March 20, 2026

13. The Sales Agent and the Proposal Trustee will conduct the SISP and interested parties will submit their offers to the Proposal Trustee and the Sales Agent for evaluation.

14. The proposed SISP was developed in consultation with the Proposal Trustee, the Sales Agent and Blue Sky's counsel. Blue Sky has determined, in consultation with the Proposal Trustee that the proposed SISP is in the best interest of its creditors and stakeholders.

Interim Financing Facility and Interim Lender's Charge

15. In order for Blue Sky to continue its operations during these proceedings, it requires additional funding. To address this funding requirement, Blue Sky entered into an interim financing facility (the "**Interim Financing Facility**") with ACES Canada SPV II ULC (the "**Interim Lender**") dated October 30, 2025. Attached hereto and marked as **Exhibit "C"** is a copy of the Interim Financing Facility.

16. The Interim Financing Facility provides for a credit facility in the amount of \$2,500,000 with interest at a rate of prime plus 7% per annum. Any advances under the Interim Financing Facility are only permitted for the following purposes:

- (a) For working capital, including restructuring costs in the NOI Proceedings and for other general corporate purposes of Blue Sky;
- (b) To make payments necessary to comply with or as contemplated under the Order approving the Interim Financing Facility;
- (c) To pay professional fees of the Interim Lender in connection with the NOI Proceedings, whether incurred before or after the Order approving the Interim Financing Facility; and
- (d) To pay the fees and expenses of the beneficiaries of the Administration Charge.

17. Any advances under the Interim Financing Facility are conditional upon the granting of a priority charge over the property and assets of Blue Sky to provide security for the Interim Lender (the **"Interim Lender's Charge"**), which ranks in priority to all other encumbrances except the Administration Charge.

18. Without the Interim Financing Facility, Blue Sky will not have sufficient liquidity to continue operations during these proceedings based on the 13 week cashflow projections which have been prepared by Blue Sky for the period ending December 28, 2025 (the **"Cash Flow Projections"**). The Cash Flow Projections will be appended to the Second Report of the Proposal Trustee to be filed in support of this

19. Blue Sky has sought and obtained guidance from the Proposal Trustee on the proposed amount of the Interim Lender's Charge and I understand that the Proposal Trustee supports the approval of the Interim Financing Facility and the Interim Lender's Charge.

Extension of Time to Make a Proposal

20. The time to file a proposal expires on November 9, 2025. In order to continue to work towards the formulation and filing of a proposal, Blue Sky requests an extension of the time for filing to December 24, 2025, in accordance with section 50.4(9) of the BIA.

21. Since the NOI was filed, Blue Sky has taken the following steps:

- (a) communicated with various vendors regarding the NOI Proceedings;
- (b) communicated with working interest partners to ensure Blue Sky receives payment for production revenue;
- (c) paid all post-filing obligations that have come due and payable;

- (d) communicated with the AER regarding its expectations for regulatory compliance during the NOI Proceedings;
- (e) communicated with the BCER regarding license transfers;
- (f) downsized staff to reduce overhead costs;
- (g) worked with the Proposal Trustee and Sayer on the formulation of the SISP;
- (h) engaged Sayer, as Sales Agent, to assist with the implementation of the SISP;
- (i) worked with Sayer to obtain valuations on certain non-core assets;
- (j) worked on negotiating the sale of certain royalty interests;
- (k) negotiated the Interim Financing Facility with the Interim Lender; and
- (l) prepared, with the assistance of the Proposal Trustee, the updated Cash Flow Projections.

22. Blue Sky has acted in good faith and with due diligence since the NOI was filed and will likely be able to make a viable proposal if the extension applied for were granted.

23. To the best of my knowledge, information and belief, none of Blue Sky's creditors will be materially prejudiced if this Honourable Court grants the extension sought.

24. Blue Sky has scheduled time before the Honourable Justice Dunlop on December 17, 2025 in anticipation of seeking approval for a further extension of the time to make a proposal and to facilitate the continuation of the SISP.

25. I make this Affidavit in support of an application for an Order (i) approving the SISP and the engagement of the Sales Agent; (ii) approving the Interim Financing Facility, and (iii) extending the time to file a proposal.

SWORN BEFORE me in the City of Calgary,)
 in the Province of Alberta, this 30th day of)
 October, 2025.)


 A Commissioner for Oaths in and for the)
 Province of Alberta)

CAROLE HUNTER
 BARRISTER AND SOLICITOR

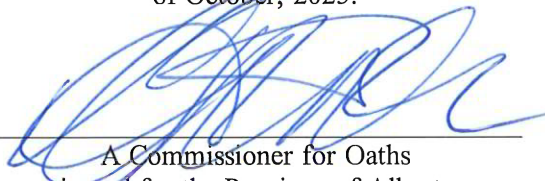


MIKE BOUVIER

THIS IS EXHIBIT "A"
referred to in the Affidavit of

MIKE BOUVIER

Sworn before me this 30th day
of October, 2025.



A Commissioner for Oaths
in and for the Province of Alberta

CAROLE HUNTER
BARRISTER AND SOLICITOR



October 28, 2025

Blue Sky Resources Ltd.

Dome Tower, Suite 3000
333 – 7th Avenue SW
Calgary, Alberta T2P 2Z1

Attention: **Mr. Michael Bouvier**
Vice-President, Business Development

Dear Michael:

RE: **Blue Sky Resources Ltd.**
Property Divestiture
Engagement Agreement

We understand that Blue Sky Resources Ltd. ("Blue Sky" or the "Company") wishes to retain Sayer Energy Advisors ("Sayer", "we" or "us") to act as exclusive financial advisor and agent with respect to the sale in whole or in part (the "Transaction(s)") of all of the oil and natural gas assets held by Blue Sky (the "Properties"), as further described in the information brochure to be distributed by Sayer as part of this engagement. We further understand that the Company has filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act, as amended (the "NOI"). The purpose of this letter is to outline the services to be performed by Sayer in relation to a sale and investment solicitation process ("SISP") to be undertaken by the Company in its NOI proceedings, and the basis of Sayer's compensation in relation thereto.

Sayer will provide assistance to Blue Sky in:

- a) reviewing, compiling and analyzing all available information regarding the Properties and assist with preparing an information summary and an informal evaluation summary;
- b) identifying and contacting parties that might have an interest in the Properties (the "Candidates");
- c) coordinating the execution of confidentiality agreements between the Company and potential Candidates;
- d) providing information on the Properties to the Candidates;
- e) providing information on the Candidates to Blue Sky;
- f) dealing with inquiries from Candidates and assist in any negotiations if required;
- g) evaluating offers submitted to Blue Sky with respect to the Transaction(s);
- h) presenting or discussing the proposed sale of the Properties with Blue Sky's senior management; and/or
- i) assisting in the closing of the Transaction(s).

We agree to act as Blue Sky's financial advisor and agent with respect to the sale of the Properties and will use our best efforts to accomplish the Transaction(s) on terms favourable to the Company. Throughout this process, Sayer will keep Blue Sky fully informed of its activities on the Company's behalf through written and/or verbal reports, and Blue Sky will keep Sayer fully informed regarding its contacts with Candidates.



The Company agrees to pay all third party charges relating to use of a seismic work station to present the Company's seismic to prospective purchasers, if applicable. Blue Sky also agrees to reimburse Saver for all its legal expenses and out-of-pocket costs incurred in carrying out this assignment, with

such costs amounting to more than [REDACTED] to be subject to the Company's prior approval. We do not anticipate incurring any additional expenses in carrying out this assignment.

GST will be in addition to all other charges.

In consideration of the fact that the role of Sayer is limited to acting as a financial advisor to the Company, the Company hereby indemnifies and saves harmless Sayer, its directors, officers, agents, employees, and affiliates, to the full extent permitted by the laws of the Province of Alberta, from any claims, demands, causes of action, and costs, including legal fees, arising out of Sayer's performance under this agreement and any litigation that may arise between the Company and a buyer and/or a potential buyer, unless the cause of the action is proven to be due to the willful misconduct, fraud, or misrepresentations by Sayer during the marketing of the Properties.

If we perform other services for Blue Sky in connection with this engagement (other than those specifically contemplated hereunder), it is agreed that we will be able to negotiate additional fees on mutually satisfactory terms on a specific service basis, depending on the nature of the services to be provided. Such other services will be agreed to in a separate letter agreement between the parties.

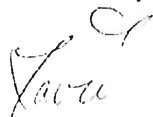
We will have the right to publicize our role in the Transaction(s), such publicity being subject to the Company's prior approval.

Notices shall be served to the parties at their respective addresses given in this agreement, shall be sent by prepaid registered mail and shall be deemed to be received by the addressees on the third business day thereafter. Notices may also be given by facsimile and shall be deemed to be received upon confirmation of receipt.

This agreement and the relationship between the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn to the jurisdiction of the courts of the Province of Alberta with respect to any matter arising out of this agreement.

If the foregoing accurately sets forth the terms of our agreement, please acknowledge your acceptance by signing the enclosed duplicate of this letter where indicated and return the same to us.

Yours truly,
SAYER ENERGY ADVISORS
A division of Sayer Securities Limited



Tom Pavic, CFA
President

AGREED TO AND ACCEPTED THIS th29 DAY OF OCTOBER 2025

BLUE SKY RESOURCES LTD.

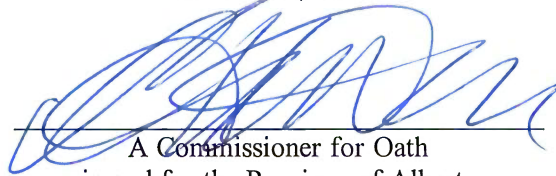


Michael Bouvier
Vice-President, Business Development

THIS IS EXHIBIT "B"
referred to in the Affidavit of

MIKE BOUVIER

Sworn before me this 30th day
of October, 2025.

A handwritten signature in blue ink, appearing to read 'Carole Hunter', is written over a horizontal line.

A Commissioner for Oath
in and for the Province of Alberta

CAROLE HUNTER
BARRISTER AND SOLICITOR

SALES AND INVESTMENT SOLICITATION PROCESS

1. On September 24, 2025, Blue Sky Resources Ltd. (the "**Company**") filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**NOI Proceedings**").
2. KSV Restructuring Inc. consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceedings.
3. On November 7, 2025, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**SISP Approval Order**") which, among other things, empowered the Proposal Trustee and the Sales Agent to prepare and conduct a sales and investment solicitation process (the "**SISP**") to solicit offers for the Business and the Property of the Company, in whole or in part, or investments related thereto.
4. This SISP Approval Order and this SISP shall govern how interested parties may gain access to due diligence materials concerning the Company and the Property, how bids involving Company, the Property, or any part or parts thereof ("**Bids**") will be submitted and addressed, and how the required court approvals will be addressed in the NOI Proceedings in respect of any transaction or transactions involving the Company or the Property.
5. The SISP will provide an opportunity for, all qualified interested parties to participate in the SISP. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Company, a sale of the Company's Property on a going concern or piecemeal basis, or a combination thereof, or other similar transaction (the "**Transaction**").
6. All capitalized terms used but not otherwise defined herein shall have the following meanings:

"**Approval Application**" means a hearing before the Court to authorize the Company to enter into agreements with respect to the Successful Bid or Successful Bids.

"**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

"**Bid Deadline**" means January 29, 2026.

"**Business**" means the oil and gas operations carried on by the Company in Alberta, British Columbia and Saskatchewan.

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Calgary, in the Province of Alberta.

"**Claims and Interests**" means pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against.

"**Commencement Date**" means the date the Sales Agent and the Proposal Trustee initiate the SISP.

"Definitive Agreement" means the template agreement of purchase and sale provided by the Proposal Trustee to the Successful Bidder(s) and to be finalized between the Successful Bidder(s) and the Company.

"Definitive Agreement Deadline" means February 20, 2026.

"Deposit" means an amount paid by one or more Qualified Bidders to be dealt with in accordance with the SISP.

"Investment Proposal" means an offer in accordance with the SISP to make an investment in, restructure, recapitalize, reorganize or refinance the Company and its Business.

"Outside Closing Date" means March 20, 2026.

"Potential Bidder" means a party with interest in a Transaction involving the Property or the Company by way of the SISP; however, that has not complied with the requirements of the SISP to be accepted as a Qualified Bidder.

"Property" means the assets, undertakings and property of the Company.

"Purchase Price" means the price proposed for the Property to be acquired, expressed in Canadian dollars, for the Transaction submitted with a Qualified Purchase Bid.

"Qualified Bid" means either: (i) a Qualified Purchase Bid; or (ii) a Qualified Investment Bid submitted to the Proposal Trustee in accordance with the SISP.

"Qualified Investment Bid" means an offer to make an investment in, restructure, reorganize, recapitalize, or refinance the Company and otherwise satisfies the requirements of the SISP.

"Qualified Purchase Bid" means an offer to purchase all or any part of the Property of the Company and otherwise satisfies the requirements of the SISP.

"Regulatory Approvals" means any required approvals necessary to operate the relevant aspects of the Property or the Business of the Company.

"Representatives" when used with respect to a person means each director, officer, employee, consultant, contractor, financial advisor, legal counsel, accountant and other agent, adviser or representative of that person.

"Sale Proposal" means an offer in accordance with the SISP to acquire all, substantially all or a portion of the Property.

"Sales Agent" means Sayer Energy Advisors.

"Successful Bid" means the most, or a combination of the most, favourable of the Qualified Bids as identified by the Sales Agent and the Proposal Trustee.

"Successful Bidder" means the highest and best Bid, or a combination of the highest and best Bids, as determined in the sole discretion of the Proposal Trustee, or alternatively, by this Honourable Court.

"Target Dates" means the milestone dates identified for purpose of the SISP, such dates may be amended or extended if the Proposal Trustee and the Sales Agent, in consultation with the Company, deem it to be necessary and advisable to do so, or by further order of the Court.

"Term Sheet" means terms and conditions of the proposed Transaction submitted with a Qualified Investment Bid.

"VDR" means virtual data room.

Property Subject to SISP Procedures

7. Bids may be submitted to acquire all, substantially all or a portion of the Company's Property. Where Bids are submitted for less than all (or substantially all) of the Property, the Purchase Price shall be appropriately allocated amongst the Property. In addition to Bids to purchase any or all of the Property, the Proposal Trustee will also consider Bids that contemplate a share transaction, including by way of a reverse vesting order structure.

Solicitation Process

8. The SISP set forth herein describes, among other things, the Property available for sale and the opportunity for an investment in the Company, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Company, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder, if any, and the Court's approval thereof. The SISP shall be conducted by the Proposal Trustee and the Sales Agent, in consultation with the Company. If there is disagreement as to the interpretation or application of the terms of the SISP set out herein, the Court will have exclusive jurisdiction to hear and resolve such dispute.

Sale and Investment Opportunity

9. A teaser package describing the opportunity to acquire all or substantially all or portions of the Property or invest in the Company will be made available by the Sales Agent and the Proposal Trustee to prospective purchasers or prospective strategic or financial investors. Those prospective purchasers that have expressed an interest in the opportunity and have executed a confidentiality agreement with the Proposal Trustee will be granted access to a VDR that will be hosted by the Sales Agent (as described in para. 20 below).

"As Is, Where Is"

10. The sale of any of the Property, or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Sales Agent or the Company, or any of their agents or estates, except to the extent set forth in the definitive sale or investment agreement with a Successful Bidder.

Free of Any and All Claims and Interest

11. In the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be sold free and clear of all Claims and Interests, except surviving and permitted Claims and Interests, pursuant to approval and vesting orders made by the Court. The extinguished Claims and Interests will attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder and subject to any Claims and Interests that survive pursuant to applicable law.
12. An investment in the Company may, at the option of the Successful Bidder, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern; a sale of the Property to a newly formed acquisition entity on terms described in the above paragraph; or transactions pursuant to any applicable corporate legislation which compromises the Claims and Interests as set out therein.

Timeline

13. The following sets out the Target Dates under the SISP, as further detailed below:
 - (a) The Commencement Date of Phase I shall be on or about December 5, 2025;
 - (b) The Bid Deadline for receiving non-binding letters of intent shall be January 29, 2026;
 - (c) The Definitive Agreement Deadline shall be no later than February 20, 2026; and,
 - (d) The Outside Closing Date for the Definitive Agreement(s) shall be March 20, 2026.
14. For greater certainty, the Target Dates may be amended or extended if the Proposal Trustee and the Sales Agent, in consultation with the Company and/or the Successful Bidder, deem it to be necessary and advisable to do so, or by further order of the Court.

Publication Notice

15. The Sales Agent, in consultation with the Proposal Trustee and the Company will prepare a teaser to be disseminated to Potential Bidders, and place any advertisements as are advisable and commercially reasonable in order to solicit interest in a sale of, or investment in, the Business.

Participation Requirements

16. Unless otherwise ordered by the Court or as otherwise determined by the Proposal Trustee, in order to participate in the SISP, each Potential Bidder must deliver to the Proposal Trustee at the address specified in **Schedule A** hereto (including by e-mail or fax transmission) prior to the distribution of any confidential information, an executed confidentiality agreement in form and substance satisfactory to the Proposal Trustee,

which shall inure to the benefit of any purchaser of the Property or any investor in the Company under the SISP.

17. A Potential Bidder that has executed a confidentiality agreement, as described above, will be deemed a "**Qualified Bidder**".
18. The determination as to whether a Potential Bidder is a Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the materials required above. If it is determined that a Potential Bidder is a Qualified Bidder, the Proposal Trustee will notify the Potential Bidder that it is a Qualified Bidder.

Due Diligence

19. The Sales Agent shall provide a Qualified Bidder access to the VDR. Neither the Sales Agent nor the Proposal Trustee and its contractors, advisors and consultants make any representation or warranty as to the information to be provided through the due diligence process or otherwise (including in respect of the completeness and accuracy thereof).
20. For greater certainty, Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Company in connection with their participation in the SISP and any Transaction they enter into with the Company.

Seeking Qualified Bids

21. Each Qualified Bidder shall have such due diligence access to materials and information relating to the Property and the Company as the Sales Agent and the Proposal Trustee, and as in its reasonable business judgement deems appropriate, having regard to the requirements of a Qualified Purchase Bid and a Qualified Investment Bid.
22. A Qualified Bidder that desires to submit a Qualified Bid will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid to the Proposal Trustee at the address specified in **Schedule A** hereto (including by e-mail) so as to be received by it not later than 12:00 PM (MT) on the Bid Deadline, or such later other date or time as may be agreed by the Proposal Trustee.
23. A Qualified Bid may be comprised of either a: (i) Qualified Purchase Bid; or (ii) Qualified Investment Bid.

Qualified Purchase Bids

24. A bid submitted to acquire some of all of the Property will be considered a Qualified Purchase Bid only if the bid complies with all of the following (as applicable):
 - (a) it constitutes, in the reasonable business judgement of the Proposal Trustee and the Sales Agent, a reasonable offer;
 - (b) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (i) the selection of the Successful Bidder, and (ii) thirty (30) days following the Bid Deadline, provided that if such Qualified Bidder is selected as

the Successful Bidder its offer shall remain irrevocable until the closing of the sale to such Successful Bidder;

- (c) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by the bid;
- (d) it is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or, (ii) obtaining financing;
- (e) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (f) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and, (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- (g) it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
- (h) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- (i) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISP;
- (j) it is accompanied by a Deposit (defined below) in the form of a wire transfer (to a bank account specified by the Proposal Trustee), or such other form acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to not less than 10% of the Purchase Price, to be held and dealt with by the Proposal Trustee in accordance with the SISP; and,
- (k) it contains other information reasonably requested by the Sales Agent and/or the Proposal Trustee.

Qualified Investment Bids

25. A bid submitted to make an investment in the Company will be considered a Qualified Investment Bid only if the bid complies with all of the following (as applicable):
- (a) it constitutes, in the reasonable business judgment of the Sales Agent and the Proposal Trustee, a reasonable offer;
 - (b) it includes a duly authorized and executed Term Sheet describing the terms and conditions of the proposed Transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed Transaction;
 - (c) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (i) the selection of the Successful Bidder and (ii) thirty (30) days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the investment by such Successful Bidder;
 - (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by the bid;
 - (e) it is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or, (ii) obtaining financing;
 - (f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
 - (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and, (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Company or the completeness of any information provided in connection therewith except as expressly stated in the Term Sheet;
 - (h) it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
 - (i) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - (j) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a

Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISP;

- (k) it is accompanied by a Deposit in the form of a wire transfer (to a bank account specified by the Proposal Trustee), or such other form acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to not less than 10% of the total investment contemplated by such Qualified Investment Bid, to be held and dealt with in accordance with the SISP; and,
- (l) it contains other information reasonably requested by the Proposal Trustee.

Bid Evaluation

- 26. Following the Bid Deadline, the Sales Agent and the Proposal Trustee, will assess the bids received with a preference for a Qualified Bid or Qualified Bids that contemplate assuming all of the abandonment and reclamation obligations of the Company. The Proposal Trustee and the Sales Agent shall, exercising their reasonable business judgement, approve the disqualification of any bids that are deemed not to be Qualified Bids. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder.
- 27. The Sales Agent and the Proposal Trustee, may identify the most favourable of the Qualified Bids as the Successful Bid or Bids. The Company shall then proceed to negotiate and settle the terms and conditions of a definitive agreement in respect of a Successful Bid or Bids by the Definitive Agreement Deadline, all of which shall be conditional upon Court approval and also conditional on the Successful Bid closing on or before March 20, 2026, or such date as shall be agreed to by the Company, in consultation with the Proposal Trustee. If a definitive agreement has been negotiated and settled in respect of a Successful Bid, the person(s) who made the Successful Bid shall be the Successful Bidder.
- 28. The Proposal Trustee, in consultation with the Company, shall be at liberty to shorten or extend the timelines set forth herein in their sole discretion, without further order of the Court.

Approval Application

- 29. The Approval Application to authorize the Company to enter into agreements with respect to the Successful Bid or Bids will be held on a date to be scheduled by the Court upon application by the Company. The Approval Application may be adjourned or rescheduled by the Company and the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Application. All Qualified Bids (for the same Property as the Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

Deposits

- 30. All Deposits shall be held by the Proposal Trustee or Proposal Trustee's counsel in a single interest-bearing account designated solely for such purpose. If there is a Successful Bidder, the Deposit (plus accrued interest, if any) paid by the Successful

Bidder whose bid is approved at the Approval Application will be applied to the Purchase Price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable upon Court approval. A Deposit paid by a Qualified Bidder shall be dealt with in accordance with the SISP. Deposits, excluding any interest earned thereon, paid by Qualified Bidders not selected as a Successful Bidder, shall be returned to such Qualified Bidders within five (5) Business Days of Court approval of the Successful Bid for the same Property the unsuccessful Qualified Bidders had sought.

Confidentiality and Access to Information

31. All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Qualified Bid or Successful Bid should be directed through the Sales Agent and the Proposal Trustee. Under no circumstances should any members of management, employees, customers, suppliers, tenants/landlords or other creditors of the Company be contacted by a Bidder directly without the prior written consent of the Proposal Trustee. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP, at the discretion of the Proposal Trustee.
32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee, the Company and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Proposal Trustee, with the consent of the applicable participants, are seeking to combine separate bids into a single bid.
33. Notwithstanding the foregoing, under no circumstances will the Sales Agent or the Proposal Trustee share any material information concerning any of the bids with any person other than representatives of the Sales Agent or the Proposal Trustee and its legal counsel and the Company and its legal counsel.

Supervision of the SISP

34. The Sales Agent and the Proposal Trustee shall oversee, in all respects, the conduct of the SISP.
35. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Company, the Proposal Trustee, the Sales Agent and any Potential Bidder, or Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Company. Further, the Company reserves the right not to enter into such definitive agreement.
36. Without limiting the preceding paragraph, neither the Sales Agent nor the Proposal Trustee shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by these SISP Procedures, except to the extent such act or omission is the result of such party's gross negligence or willful misconduct. By submitting a bid, each Bidder, Qualified Bidder or Successful Bidder

shall be deemed to have agreed that it has no claim against the Sales Agent or Proposal Trustee for any reason whatsoever, except to the extent that such claim is the result of the gross negligence of, or willful misconduct by, the Sales Agent or the Proposal Trustee.

37. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
38. The Sales Agent and the Proposal Trustee shall have the right to modify the SISP if, in their reasonable business judgement, such modification will enhance the process or better achieve the objectives of the SISP.

Miscellaneous

39. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.
40. Each Qualified Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.
41. At any time during the SISP, the Proposal Trustee, the Sales Agent or the Company may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.
42. The Company shall co-operate fully with the Sales Agent and the Proposal Trustee in the exercise of their powers and duties and discharge of its obligations under the SISP and provide the Sales Agent and the Proposal Trustee with assistance, information and documentation that is reasonably necessary to enable the Sales Agent and the Proposal Trustee to adequately carry out their functions herein.

SCHEDULE "A"

KSV RESTRUCTURING INC.

1165, 324 – 8th Avenue SW
Calgary, AB T2P 2Z2

Attention: Ross Graham

Phone: 587.287.2750

Email: rgraham@ksvadvisory.com

- and -

SAYER ENERGY ADVISORS

1620, 540 - 5th Avenue SW
Calgary, AB T2P 0M2

Attention: Tom Pavic

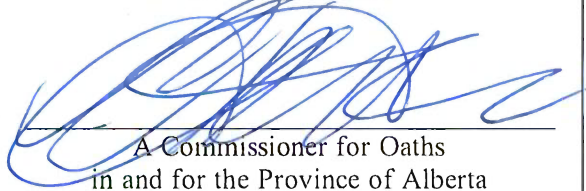
Phone: 403.266.6133

Email: tpavic@sayeradvisors.com

THIS IS EXHIBIT "C"
referred to in the Affidavit of

MIKE BOUVIER

Sworn before me this 30th day
of October, 2025.



A Commissioner for Oaths
in and for the Province of Alberta

CAROLE HUNTER
BARRISTER AND SOLICITOR

October 30, 2025

Blue Sky Resources Ltd.

Dome Tower

Suite 3000, 333 7 Ave SW

Calgary, AB T2P 2Z1

Attention: Mike Bouvier

INTERIM FINANCING TERM SHEET OF BLUE SKY RESOURCES LTD.

Dated as of October 30, 2025

- A. **WHEREAS** Blue Sky Resources Ltd. (the "**Borrower**") filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") on September 24, 2025, and KSV Restructuring Inc. has consented to act as the proposal trustee ("**Proposal Trustee**") for the proceedings (the "**NOI Proceedings**");
- B. **AND WHEREAS** the Borrower has requested that ACES Canada SPV III ULC (the "**Interim Lender**") provide it with loans in order to fund certain of its obligations during the pendency of the NOI Proceedings and the proposed sale and investment solicitation process (the "**SISP**");
- C. **AND WHEREAS** the Interim Lender has agreed to provide a credit facility in the maximum aggregate principal amount of CAD\$2,500,000.00 (the "**Maximum Amount**"), plus applicable interest and expenses, subject to and in accordance with the terms set out in this term sheet (the "**Interim Financing Term Sheet**");
- D. **AND WHEREAS** the Borrower and the Interim Lender have agreed, as a condition to the granting of the Interim Credit Facility (as defined below), to seek the permission of the Court to secure the Interim Credit Facility by way of a super priority charge against the assets and undertakings of the Borrower as set forth herein;
- E. **AND WHEREAS** the Interim Lender has agreed that such charge referenced above shall rank subordinate to the Administration Charge (as defined below);

NOW THEREFORE the parties hereto, in consideration of the foregoing and the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

SUMMARY OF TERMS FOR THE INTERIM FINANCING CREDIT FACILITY

- | | |
|------------------------------------|--|
| 1. Borrower: | Blue Sky Resources Ltd. |
| 2. Interim Lender: | ACES Canada SPV III ULC |
| 3. Interim Credit Facility: | A super priority interim financing, non-revolving credit facility in the maximum aggregate principal amount equal to the Maximum Amount plus applicable interest and Recoverable Expenses (as defined below) (collectively, the " Interim Credit Facility "). |

4. Purpose: To provide for the short-term liquidity needs of the Borrower pursuant to the 13-week cash flow projections (the "**Cash Flow Projections**") and in accordance with the Approval Order (as defined below) and in accordance with the authorized uses as set out in Section 8, while the Borrower is under Court protection pursuant to the NOI Proceedings or other Court proceedings (together, the "**Court Proceedings**").

5. Advances: Advances under the Interim Credit Facility shall be made to the Borrower (each such advance being an "**Interim Advance**" and, collectively, the "**Interim Advances**") by the Interim Lender in accordance with the terms and conditions set out in this Interim Financing Term Sheet.

The parties hereto acknowledge the Amended and Restated Direct Pay Agreement among Macquarie Energy Canada Ltd. ("**Macquarie**"), the Borrower and the Interim Lender (the "**A&R Direct Pay Agreement**"), whereby the Borrower directed Macquarie to pay on a monthly basis an amount equal to 285 barrels of crude oil per day for such month to the Interim Lender. Any Interim Advances made to the Borrower will be independent of the amounts payable to the Interim Lender pursuant to the A&R Direct Pay Agreement other than as set forth herein.

Subject to the terms and conditions set out in this Interim Financing Term Sheet, the Borrower shall only request an Interim Advance in accordance with the following drawdown schedule (the "**Drawdown Schedule**"):

- (a) Directly following the date of Court Approval hereof, the initial Interim Advance request will be equal to the amount paid by Macquarie to the Interim Lender on or about October 25, 2025 pursuant to the A&R Direct Pay Agreement. The parties hereto consent that the amount paid to Macquarie shall be paid to the Interim Lender or its counsel, and thereupon shall be paid to the Borrower;
- (b) on or following November 7, 2025, subject to subparagraph (c) below, the subsequent Interim Advance requests will be equal to the aggregate Canadian dollar equivalent of a maximum of USD \$1,000,000.00 with such Interim Advance requests being on a weekly basis in such amounts as are required pursuant to the Cash Flow Projections and are deemed commercially reasonable by the Interim Lender, acting reasonably; and
- (c) on or following November 25, 2025, the last Interim Advance request will be equal to the amount paid by Macquarie to the Interim Lender on or about November 25, 2025 pursuant to the A&R Direct Pay Agreement following such payment and, such payment shall be paid in full to the Interim Lender. The Interim Lender shall thereupon provide

funds such that the total of all funds provided equal the Maximum Amount.

Nothing in this Interim Financing Term Sheet creates a legally binding obligation on the Interim Lender to advance any amount under the Interim Credit Facility at any time unless: (i) the Borrower is in compliance with the provisions of this Interim Financing Term Sheet and an Order of the Court which approves this Interim Financing Term Sheet, the Interim Credit Facility, the SISF, and grants the Interim Lender's Charge (as defined below) (the "**Approval Order**"); (ii) the funding conditions set out in Sections 13 and 14 of this Interim Financing Term Sheet have been satisfied; and (iii) the Borrower is operating within the parameters of the Cash Flow Projections.

6. Interest:

The aggregate outstanding Interim Credit Facility owing from time to time shall bear interest, both before and after maturity, demand, default or judgment and until actual payment in full, at a rate equal to the prime lending rate of the Alberta Treasury Branches plus seven percent (7%) per annum. Such interest shall accrue daily and shall be calculated and payable in cash, not in advance, on the Maturity Date (as defined below), to such account as directed in writing by the Interim Lender to the Borrower from time to time.

All computations of interest hereunder will be calculated on the basis of a 365 day year and the actual days elapsed, up to (but excluding) the date of actual payment from the funding date or the date the obligation arose, as applicable; provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (a "**Deemed Year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the Deemed Year.

Any amounts which are not paid when due and payable by the Borrower hereunder shall accrue interest (after as well as before maturity and judgment), on a daily basis up to and including the date of actual payment from the due date, at a rate equal to twenty percent (20%) per annum, without demand by the Interim Lender.

7. Commitment Fee:

A commitment fee of \$100,000.00 (the "**Commitment Fee**") will be deemed to be earned, due and payable to the Interim Lender upon acceptance of this Interim Financing Term Sheet. The Borrower and the Interim Lender agree that the Interim Lender may deduct the Commitment Fee from the initial Interim Advance.

8. Use of Proceeds:

The Borrower is authorized to use Interim Advances only:

- (a) for working capital, including for restructuring costs in the NOI Proceedings and for other general corporate purposes of the Borrower;

- (b) to make payments necessary to comply with or as contemplated under the Approval Order;
- (c) to pay professional fees of the Interim Lender in connection with the NOI Proceedings, whether incurred before or after the granting of the Approval Order; and
- (d) to pay the fees and expenses of the beneficiaries of the Administration Charge and professional fees of the Borrower and Proposal Trustee (including the Borrower's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel and such other agents, advisors and consultants of the Borrower retained in accordance with the Approval Order), incurred both before and after the granting of the Approval Order

and in each case of the foregoing paragraphs (a) to (d), consistent with (and as specifically provided for in) the Cash Flow Projections; provided that no proceeds from the Interim Credit Facility shall be used other than in accordance with this Interim Financing Term Sheet unless otherwise agreed in writing by the Interim Lender.

9. Recoverable Expenses:

The Borrower shall pay all reasonable fees, costs and expenses (collectively, the "**Recoverable Expenses**") incurred by the Interim Lender in connection with the preparation, due diligence, negotiation, execution, amendment and administration of this Interim Financing Term Sheet (including without limitation the Commitment Fee), the Interim Credit Facility, the Approval Order, the SISF, the Interim Lender's Charge and with the enforcement of the Interim Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation, all legal and advisor fees and disbursements incurred by the Interim Lender. For greater certainty, Recoverable Expenses shall include all reasonable fees, costs and expenses incurred by the Interim Lender in connection with the NOI Proceedings and all Court attendances in respect thereof. If the Interim Lender has paid or incurred any fees, costs or expenses for which the Interim Lender is entitled to reimbursement from the Borrower, such fees, costs and expenses shall be added to the Interim Credit Facility and shall accrue interest from the date paid or incurred by the Interim Lender at the rate and on the terms and conditions set out herein. All such Recoverable Expenses and interest thereon shall be secured by the Interim Lender's Charge whether or not any funds under the Interim Credit Facility are advanced.

10. Security:

All present and future debts, liabilities and obligations of the Borrower to the Interim Lender under or in connection with the Interim Credit Facility (including, without limitation, principal, interest and Recoverable Expenses), this Interim Financing Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the "**Interim Lender's Charge**") granted to the Interim Lender in and to all

present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**").

The Interim Lender's Charge shall rank in priority to all other security interests, encumbrances and charges, whether deemed or otherwise, save and except for the Administration Charge. The only other court-ordered charge on the Property to be granted within the NOI Proceedings shall be an administration charge in the maximum aggregate amount of \$500,000 for the payment of the reasonable fees, costs and expenses of the Proposal Trustee, counsel to the Borrower, and counsel to the Proposal Trustee (the "**Administration Charge**"). For greater clarity, the Administration Charge shall rank in priority to the Interim Lender's Charge under the Approval Order.

The Interim Lender's Charge shall be deemed to be valid and perfected by the granting of the Approval Order. The Interim Lender shall not be required to file any financing statement, mortgage, security notice, or similar instrument or take any other action to validate or perfect the security charges granted hereunder and in the Approval Order, however the Interim Lender may register the Interim Lender's Charge (and/or any notice, certificate, instrument or other agreement associated therewith) in jurisdictions and at registries or public offices as the Interim Lender may determine necessary or beneficial to protect its interests under the Interim Lender's Charge.

11. Maturity Date:

Unless otherwise agreed to by the Interim Lender and the Borrower in writing or specified herein, the term of the Interim Credit Facility shall expire, and the Borrower shall repay all obligations owing to the Interim Lender under or in connection with this Interim Financing Term Sheet, on the earliest of the following (the "**Maturity Date**");

- (a) March 31, 2026;
- (b) the implementation of a proposal within the NOI Proceedings which has been approved by the requisite majorities of the Borrower's creditors and by an order entered by the Court;
- (c) the closing of any sale or investment transaction involving the Borrower that is for, whether by one or more such transactions, all or substantially all of the assets of the Borrower or the sale of the issued and outstanding shares of the Borrower, regardless of whether resulting from the SISP or not, which transaction has been approved by an order of the Court (any of the foregoing being a "**Transaction**");

- (d) the date on which the NOI Proceedings are terminated for any reason; and
- (e) the occurrence of an Event of Default (as defined below), subject to a cure period of three (3) business days beginning on the date of the occurrence of such Event of Default.

12. Repayment:

The commitment in respect of the Interim Credit Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Credit Facility shall become immediately due and payable on the Maturity Date, and be repaid in full no later than the Maturity Date, without the Interim Lender being required to make demand upon the Borrower or to give notice that the Interim Credit Facility has expired and the obligations are due and payable.

For certainty, the Interim Credit Facility shall be treated in all respects as a debtor-in-possession loan in accordance with the terms and conditions set out in this Interim Financing Term Sheet.

The Borrower and the Interim Lender acknowledge and agree that, except as otherwise provided herein, the Interim Credit Facility shall be repaid on the Maturity Date in accordance with Section 11 and, for certainty, no interest or Recoverable Expenses will be paid from the Interim Credit Facility prior to the Maturity Date other than as set out in Sections 7 and 8. Notwithstanding anything contained herein, if any sale or investment transaction involving the Borrower is closed after the date hereof, then any proceeds from such transaction shall be used, subject to the payment of any outstanding Administration Charge at such time, to repay any outstanding Interim Credit Facility at such time, regardless of whether resulting from the SISF or not.

The Order of the Court sanctioning any proposal shall not discharge or otherwise affect in any way any of the obligations of the Borrower to the Interim Lender under the Interim Credit Facility, other than after the permanent and indefeasible payment in cash to the Interim Lender of all obligations under the Interim Credit Facility on or before the date such plan is implemented.

13. Conditions Precedent to Effectiveness:

The effectiveness of this Interim Financing Term Sheet is subject to the satisfaction of the following conditions precedent as determined by the Interim Lender in its sole discretion:

- (a) the Court shall have issued the Approval Order, in form and substance satisfactory to the Interim Lender, including:
 - (i) approving the SISF and authorizing and directing the Proposal Trustee to implement and carry out the SISF;
 - (ii) approving this Interim Financing Term Sheet and the Interim Credit Facility;

- (iii) granting the Interim Lender's Charge in favour of the Interim Lender in priority to all other security interests, encumbrances and charges, whether deemed or otherwise, subject only to the Administration Charge;
 - (iv) authorizing the Interim Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the Interim Lender's Charge;
 - (v) providing that the Interim Lender's Charge shall be valid and effective to secure all of the obligations of the Borrower to the Interim Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;
 - (vi) declaring that the granting of the Interim Lender's Charge and all other documents executed and delivered to the Interim Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the Interim Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation;
 - (vii) restricting the granting of any additional liens or encumbrances on the Property, other than as permitted herein and the Interim Lender's Charge; and
 - (viii) approving the engagement of Sayer Energy Advisors (the "**Borrower Financial Advisor**") as financial advisor and agent to the Borrower;
- (b) the Approval Order shall not have been vacated, stayed, appealed, amended or otherwise caused to be ineffective in a manner not acceptable to the Interim Lender, and no application or motion has been made to vacate, stay, appeal or amend same or otherwise cause same to be ineffective;
- (c) the Interim Lender shall have received and approved the Cash Flow Projections;
- (d) the Interim Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material

respects with all applicable laws, regulations, policies, applications, licences, certificates, permits, registrations and authorizations of any kind applicable to the Borrower's business and all respects with respect to the Approval Order; provided however that this condition precedent shall not be applicable in respect of any of the Borrower's non-compliances that have been disclosed in writing to the Interim Lender prior to its execution and delivery of this Interim Financing Term Sheet;

- (e) the Borrower shall have executed and delivered this Interim Financing Term Sheet and all other documents in connection with the Interim Credit Facility as the Interim Lender may reasonably request to give effect to any of the provisions set out hereunder;
- (f) all representations and warranties of the Borrower under this Interim Financing Term Sheet and in any other interim financing credit documentation are true and correct in all respects;
- (g) the Borrower shall have complied with all covenants under this Interim Financing Term Sheet;
- (h) no Event of Default shall have occurred or is reasonably expected to occur as a result of any such Interim Advances; and
- (i) such other conditions as the Interim Lender may reasonably request or require.

**14. Conditions
Precedent to Interim
Advances:**

The Interim Lender's obligation to make Interim Advances to the Borrower is subject to the satisfaction of the following conditions precedent as determined by the Interim Lender in its sole discretion:

- (a) this Interim Financing Term Sheet shall have become effective and all conditions precedent set out in Section 13 shall have been fulfilled and continue to be satisfied;
- (b) the Interim Lender shall have received from the Borrower an interim advance request, which shall be executed by an officer of the Borrower, and shall certify, *inter alia*, that the interim advance request is within the Maximum Amount, is consistent with the Cash Flow Projections, is consistent with the Drawdown Schedule, and that the Borrower is in compliance with this Interim Financing Term Sheet and the Approval Order;
- (c) the Borrower and the Interim Lender (or their respective counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with,

all material documents to be filed in respect of, as applicable:

- (i) the Approval Order; and
 - (ii) any other Order sought by the Borrower in the Court Proceedings ("**Other Court Orders**");
- (d) the Interim Lender shall be satisfied, acting reasonably, with the form and content of the court orders made in the Court Proceedings applicable to the Borrower (the "**Restructuring Court Orders**", which shall include but are not limited to the Approval Order and the Other Court Orders);
- (e) the Interim Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations, policies, applications, licences, certificates, permits, registrations and authorizations of any kind applicable to the Borrower's business other than: (i) as may be permitted under the Restructuring Court Orders; (ii) as to which any enforcement in respect of noncompliance is stayed by a Restructuring Court Order, provided the issuance of such Restructuring Court Order (in each case) does not result in the occurrence of an Event of Default; or (iii) any non-compliances that had been disclosed in writing by the Borrower to the Interim Lender prior to its execution and delivery of this Interim Financing Term Sheet;
- (f) the requested Interim Advance shall not, if advanced to the Borrower, cause the aggregate amount of all outstanding Interim Advances to exceed the Maximum Amount or be greater than the total Interim Advances projected to be required in the Cash Flow Projections, unless otherwise specifically approved by the Interim Lender;
- (g) all of the representations and warranties of the Borrower as set forth herein and in any other interim financing credit documentation shall be true and correct in all respects;
- (h) no Event of Default shall have occurred or will occur as a result of the requested Interim Advance;
- (i) the Interim Lender is satisfied that no matter, event, circumstance, occurrence, fact, condition, change or effect that, individually, or in the aggregate, in the opinion of the Interim Lender, acting reasonably, is or could be expected to have a material adverse effect on: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower; (iii) the Interim Lender's Charge, including its relative priority; (iv) the ability of the Borrower to perform its obligations to the Interim Lender or to any

person under any material contract; or (v) the Interim Lender's ability to enforce any of its rights or remedies against the Property or for the obligations of the Borrower to be satisfied from the realization thereof (each a "**Material Adverse Change**") shall have occurred after the date of the issuance of the Approval Order; provided that, Material Adverse Change shall not include any matter, event, circumstance, occurrence, fact, condition, change or effect that is as a result of fires, floods, earthquakes, subsidence, ground collapses, landslides or other acts of God that are in no way attributable or related to the operations of the Borrower or persons on behalf of the Borrower;

- (j) since the date of the Approval Order there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Approval Order or as otherwise provided for hereunder and the aggregate amount of all such pre-filing amounts shall not exceed the amount set out in the Cash Flow Projections;
- (k) the Approval Order shall be in full force and effect and shall not have been reversed, modified, amended, stayed or otherwise caused to be ineffective in a manner adverse to the interests of the Interim Lender; and
- (l) there shall be no security interests, encumbrances and charges, whether deemed or otherwise, ranking *pari passu* or in priority to the Interim Lender's Charge over the Property, subject only to the Administration Charge.

15. Representations and Warranties:

The Borrower represents and warrants to the Interim Lender, which representations and warranties shall be deemed to be repeated at each Interim Advance, and upon which the Interim Lender relies in entering into this Interim Financing Term Sheet, that:

- (a) the Borrower is duly incorporated and/or validly existing under the laws of its jurisdiction of incorporation and is qualified to carry on business in each jurisdiction in which it owns property or assets or carries on business;
- (b) subject to the granting of the Approval Order, the Borrower has the power, capacity, legal right, and authority to own or lease its property, carry on business, and to execute and deliver this Interim Financing Term Sheet and other documents delivered in connection herewith, and the transactions contemplated hereby and thereby:
 - (i) are within the powers of the Borrower;
 - (ii) have been duly authorized by all necessary corporate approval of the Borrower;

- (iii) have been duly executed and delivered by or on behalf of the Borrower;
 - (iv) do not conflict with or result in a breach of (a) any of the terms or conditions of the constating documents of the Borrower or (b) any applicable law, any contractual restrictions binding on or affecting any of the Property or any judgement, injunction, determination or award which is binding on the Borrower unless in the case of subparagraph (b) such conflict or breach could not reasonably be expected to cause a Material Adverse Change;
 - (v) constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms; and
 - (vi) do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party (with the exception of, other than in respect to the Interim Lender's Charge and the priority thereof, the Alberta Energy Regulator, the British Columbia Energy Regulator and the Saskatchewan Ministry of Energy and Resources);
- (c) except as has been disclosed in writing by the Borrower to the Interim Lender prior to its execution and delivery of this Interim Financing Term Sheet, the activities of the Borrower have been and will continue to be conducted in compliance with all applicable laws, regulations, policies, applications, licences, certificates, permits, registrations and authorizations of any kind applicable to the Borrower's business, which the Borrower maintains in good standing, subject to the provisions of the BIA and any order of the Court;
- (d) none of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower to the Interim Lender or its advisors in connection with the negotiation of this Interim Financing Term Sheet or delivered with respect hereto (as modified or supplemented by other information so furnished) contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading; provided that to the extent any such reports, financial statements, certificates or other written information therein was based upon or constitutes a forecast or projection, the Borrower represents only that it

has acted in good faith and utilized assumptions believed by it to be reasonable at the time made;

- (e) the Cash Flow Projections are reasonable and prepared in good faith;
- (f) the Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that have been disclosed in the NOI Proceedings prior to the date hereof or are not yet due and payable or that are being diligently contested in good faith by the Borrower and for which sufficient reserves have been set aside;
- (g) the Borrower, since the commencing of the NOI Proceedings, has maintained its obligations for payroll, source deductions, retail sales tax, goods and services tax and harmonized sales tax, as applicable, and is not in arrears in respect of payment of these obligations;
- (h) no Event of Default has occurred and is continuing;
- (i) the Borrower is not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a Material Adverse Change on the business, operations, or financial condition of the Borrower;
- (j) the Borrower has not entered into any material transaction or other written contractual relationship with any related party except as disclosed to the Interim Lender in writing prior to the effective date of this Interim Financing Term Sheet;
- (k) other than as stayed pursuant to the NOI Proceedings, the commencement of the NOI Proceedings will not trigger any contractual provision that would entitle any director or officer of the Borrower to claim additional compensation, bonus or severance;
- (l) all material payments to shareholders, directors and senior executives of the Borrower and any related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow Projections;
- (m) other than as stayed pursuant to any Restructuring Court Order or as may be related to correspondence received by

the Borrower from the Alberta Energy Regulator, there is not now pending or, to the knowledge of the Borrower, threatened against the Borrower, nor has the Borrower received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;

- (n) all material contracts to which the Borrower is a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and the Borrower does not have any knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the NOI Proceedings);
- (o) the Borrower has no defined benefit pension plans or similar plans;
- (p) the Borrower is not liable for any indebtedness for borrowed money, except as disclosed in the NOI Proceedings; and
- (q) the Borrower has disclosed to the Interim Lender all liabilities in respect of its licensee management rating, and such information is up to date and, other than as previously disclosed in writing to the Interim Lender, no further security deposit is required in connection therewith.

16. Positive Covenants: The Borrower covenants and agrees with the Interim Lender, so long as any amounts are outstanding by the Borrower to the Interim Lender hereunder, to:

- (a) promptly on the receipt by the Borrower of the same, give the Interim Lender a copy of any Application to vary, supplement, amend, revoke, terminate or discharge the Restructuring Court Orders or any Court order, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the Interim Lender's Charge, or otherwise for the variation of the priority of the Interim Lender's Charge;
- (b) take all actions necessary or available to defend the Approval Order and any other Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the Interim Lender;
- (c) allow the Interim Lender or its advisors, including the Interim Lender Financial Advisor (defined below), on reasonable written notice during regular business hours, and at any time after and during the continuance of an Event of Default, to enter on and inspect each of the Borrower's assets and properties;

- (d) provide the Interim Lender or its advisors, including the Interim Lender Financial Advisor, on reasonable written notice and during normal business hours, full access to the books and records of the Borrower;
- (e) cause management of the Borrower to fully co-operate with the Interim Lender and the Proposal Trustee or their respective agents and advisors (including the Interim Lender Financial Advisor), as applicable;
- (f) provide the Interim Lender and the Interim Lender Financial Advisor regular updates regarding (i) all material developments with respect to the business, operations or financial condition of the Borrower (including, without limitation, any developments with respect to the Alberta Energy Regulator, the British Columbia Energy Regulator or the Saskatchewan Ministry of Energy and Resources) and (ii) the status of the Court Proceedings including, without limitation, reports on the progress of any proposal, restructuring option, the SISP and any information, which may otherwise be confidential, subject to same being maintained as confidential by the Interim Lender;
- (g) promptly provide the Interim Lender and its advisors (including the Interim Lender Financial Advisor) with any additional financial information reasonably requested by the Interim Lender or its advisors;
- (h) provide the Interim Lender and its counsel with draft copies of all applications, proposed orders or other material or documents that the Borrower intends to file within the NOI Proceedings as soon as practically possible prior to any such filing;
- (i) use the Interim Advances under the Interim Credit Facility only for the purposes for which they are being provided, as set out in Sections 4 and 8 of this Interim Financing Term Sheet, or such other purposes that may be agreed to by the Interim Lender and the Proposal Trustee, in writing;
- (j) provide the Interim Lender, the Interim Lender Financial Advisor, and the Proposal Trustee with prompt written notice of any matter, event, circumstance, occurrence, fact, condition, change or effect which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Interim Financing Term Sheet (including the accuracy of any representations or warranties), or of any document executed in connection with this Interim Financing Term Sheet;
- (k) keep the Borrower's assets (including the Property) fully insured against such perils in such manner, and only to the

extent, as would be customarily insured by companies owning similar assets;

- (l) comply with all orders of the Court in the NOI Proceedings and all applicable laws, regulations, policies, applications, licences, certificates, permits, registrations and authorizations of any kind applicable to the Borrower's business;
- (m) provide the Interim Lender and its advisors (including the Interim Lender Financial Advisor) with the opportunity to participate in any discussions, meetings or other correspondence with any of the Alberta Energy Regulator, the British Columbia Energy Regulator and the Saskatchewan Ministry of Energy and Resources; and
- (n) conduct all activities in the ordinary course and in material compliance with the Cash Flow Projections.

17. Negative Covenants: The Borrower covenants and agrees with the Interim Lender, so long as any amounts are outstanding by the Borrower to the Interim Lender hereunder, to not:

- (a) seek or support anyone seeking any Court order (in the NOI Proceedings or otherwise) which is adverse to the interests of the Interim Lender including, for certainty but without limitation, any change to the Interim Credit Facility or the Interim Lender's Charge;
- (b) fail to comply with the Restructuring Court Orders, or any Court order approving or affecting the Transaction, or similar transaction;
- (c) make any payment to any director, officer, investor or related party of the Borrower except salary and wages in the normal course at the rates as of the date hereof (but specifically excluding bonuses or other incentive payments) without the prior written consent of the Interim Lender and the Proposal Trustee;
- (d) make any payments or distributions of any kind that are not consistent with the Cash Flow Projections;
- (e) transfer, lease, sell or otherwise dispose of all or any part of its Property other than in accordance with the SISF or as may be otherwise approved by the Interim Lender in writing;
- (f) make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than as approved by the Interim Lender;
- (g) acquire, create or cause to exist any subsidiary;

- (h) (i) enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than where consistent with the Cash Flow Projections;
- (i) without the prior written consent of the Interim Lender, incur any borrowings or other indebtedness, obligations or liabilities, other than the Interim Credit Facility, or create or grant any security (other than the Administration Charge and the Interim Lender's Charge) over any of the Property, whether ranking in priority, *pari passu* or subordinate to the Interim Lender's Charge;
- (j) challenge or fail to support the Interim Lender's Charge and claims of the Interim Lender;
- (k) change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with, any other entity;
- (l) other than to the Proposal Trustee, its legal counsel and legal counsel to the Borrower, and legal counsel and advisors to the Interim Lender engaged as of the date hereof, pay, incur any obligation to pay, or establish any retainer with respect to the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements, as applicable, are reviewed and approved in advance by the Proposal Trustee and the Interim Lender;
- (m) terminate any material contract or amend any material contract in any material manner except with the prior consent of the Interim Lender;
- (n) solicit, initiate or take any action, whether through supporting anyone or otherwise, to facilitate or encourage Macquarie to limit, reduce or otherwise not abide by its payment obligations in the A&R Direct Pay Agreement; and
- (o) after the date hereof, purchase any additional insurance in respect of any director or officer of the Borrower, including any "tail" insurance, without the prior written consent of the Interim Lender.

18. Proposal Trustee and Financial Advisors:

The Proposal Trustee in the NOI Proceedings is KSV Restructuring Inc., the Borrower Financial Advisor is Sayer Energy Services, and the financial advisor to the Interim Lender (the "**Interim Lender Financial Advisor**") is Alvarez and Marsal Ltd. The Proposal Trustee and the Borrower Financial Advisor shall be authorized to have direct discussions with the Interim Lender and its advisors, including the Interim Lender Financial Advisor. The Interim Lender and the Interim Lender Financial Advisor shall be entitled to receive

information from the Proposal Trustee and the Borrower Financial Advisor as may be requested by the Interim Lender and its advisors (including the Interim Lender Financial Advisor) from time to time.

19. Events of Default:

The occurrence of any one or more of the following events shall constitute an event of default (each, an “**Event of Default**”) under this Interim Financing Term Sheet:

- (a) the Borrower’s failure to pay any amount due hereunder when due and payable;
- (b) the Borrower’s failure to comply with or fulfill, to the satisfaction of the Interim Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Interim Financing Term Sheet;
- (c) any representation or warranty by the Borrower in this Interim Financing Term Sheet or in any other documents executed in connection herewith shall be incorrect or misleading in any respect when made;
- (d) the seeking or support by the Borrower of any Court order (in the NOI Proceedings or otherwise) which is adverse to the interests of the Interim Lender including, for certainty but without limitation, any change to the Interim Credit Facility or the Interim Lender’s Charge (or the relative priority thereof);
- (e) the issuance of any Court order (in the NOI Proceedings or otherwise) which is adverse to the interests of the Interim Lender including, for certainty but without limitation, any change to the Interim Credit Facility or the Interim Lender’s Charge (or the relative priority thereof);
- (f) the occurrence of an event that will, in the opinion of the Interim Lender, materially impair the Borrower’s financial conditions, operations or ability to perform under this Interim Financing Term Sheet or any order of the Court;
- (g) the failure by the Borrower to comply with the Approval Order, or any Court order;
- (h) any material deviation from the Cash Flow Projections, as determined by the Interim Lender, acting reasonably;
- (i) the occurrence of any Material Adverse Change;
- (j) the NOI Proceedings are converted into a receivership proceeding under the BIA;
- (k) the sale, transfer, assignment, conveyance or lease of substantially all of the Property, except pursuant to a

transaction resulting from the SISP or as may be otherwise approved by the Interim Lender in writing; and

- (l) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrower in connection with the Interim Credit Facility, the Interim Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Interim Lender or the Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Interim Lender of any of its rights and remedies hereunder, pursuant to the Approval Order, under applicable law, or the enforcement or realization by the Interim Lender against any of its collateral.

20. Remedies and Enforcement:

Following the occurrence of an Event of Default and the expiration of the cure period prescribed in Section 11(e), upon written notice to the Borrower and the Proposal Trustee, the Interim Lender shall have the right, subject to the Interim Lender obtaining an Order from the Court lifting the stay under the NOI Proceedings (to the extent applicable and required), to:

- (a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or to seek the appointment of a trustee in bankruptcy of the Borrower;
- (b) set-off or consolidate any amounts then owing by the Interim Lender to the Borrower against the obligations of the Borrower to the Interim Lender hereunder;
- (c) enforce the Interim Lender's Charge and realize on the Property and any other collateral securing the Interim Credit Facility;
- (d) exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act*, RSA 2000, c P-7, or any legislation of similar effect; and
- (e) exercise all such other rights and remedies available to the Interim Lender under this Interim Financing Term Sheet, the Approval Order, any other order of the Court or applicable law.

No failure or delay on the part of the Interim Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

21. Indemnity:

The Borrower agrees to indemnify and hold harmless the Interim Lender and its directors, officers, employees, advisors, agents and affiliates (all such persons and entities being referred to hereafter

as "Indemnified Persons") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to the Interim Credit Facility, this Interim Financing Term Sheet or any other documents executed in connection therewith and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out of pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrower shall not, pursuant to this Section, be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or wilful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

This Section shall survive any termination of the Interim Credit Facility or this Interim Financing Term Sheet.

**22. Evidence of
Indebtedness:**

The Interim Lender's accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Interim Lender pursuant to the Interim Credit Facility.

**23. Amendments,
Waivers:**

No amendment or waiver of any provisions of this Interim Financing Term Sheet or consent to any departure by the Borrower from any provision thereof is effective unless it is in writing and signed by the Interim Lender. Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

24. Timing:

Time is of the essence in this Interim Financing Term Sheet and the Interim Credit Facility and all transactions contemplated thereby.

25. Severability:

Each of the provisions contained in this Interim Financing Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

**26. No Third Party
Beneficiary:**

No person, other than the Borrower, the Interim Lender and the Indemnified Persons, is entitled to rely upon this Interim Financing Term Sheet or any other documents executed in connection herewith and the parties hereto expressly agree that this Interim Financing Term Sheet and any other documents executed in connection herewith do not confer rights upon any other party.

27. Notices:

Any notice, request, consent, waiver or other communication hereunder to any of the parties hereto shall be in writing and be

well and sufficiently given if delivered personally or direct electronic transmission to the following:

(a) In the case of the Interim Lender:

ACES Canada SPV III ULC
1223 Wilshire Blvd., Suite 1050
Santa Monica CA 90403

Attention: Paul Kromwyk
Email: pkromwyk@anvilcp.com

with a copy to:

Borden Ladner Gervais LLP
Suite 1900, 520 3 Ave SW
Calgary, Alberta T2P 0R3

Attention: Miles Pittman and Kevin Barr
Email: mpittman@blg.com and kbarr@blg.com

(b) In the case of the Borrower:

Blue Sky Resources Ltd.
Dome Tower
Suite 3000, 333 7 Ave SW
Calgary, Alberta T2P 2Z1

Attention: Mike Bouvier
Email: mike.b@bsrl.ca

with a copy to:

DLA Piper (Canada) LLP
Suite 1000, Livingston Place West
250 2 St SW
Calgary, Alberta T2P 0C1

Attention: Carole Hunter and Anthony Mersich
Email: carole.hunter@ca.dlapiper.com and
anthony.mersich@ca.dlapiper.com

Any such notice shall be deemed to be given and received when received, unless received after 5:00 pm (Calgary time) or on a day other than a business day, in which case the notice shall be deemed to be received the next business day.

28. Further Assurances: The Borrower shall, at its own expense and promptly on demand by the Interim Lender at any time and from time to time, do, execute and deliver, or cause to be done, executed and delivered all such further acts, documents and things as the Interim Lender may reasonably request to give effect to any of the provisions set out hereunder.

- 29. Entire Agreement:** This Interim Financing Term Sheet together with any other documents executed in connection herewith constitutes the entire agreement between the parties hereto relating to the subject matter hereof.
- 30. Successor and Assigns:** The provisions of this Interim Financing Term Sheet shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby. The Borrower shall not assign this Interim Financing Term Sheet or any of their rights or obligations set out herein without the prior written consent of the Interim Lender. The Interim Lender may assign or sell its rights or obligations with respect to this Interim Financing Term Sheet to any person without the prior written consent of the Borrower.
- 31. Governing Law and Jurisdiction:** The Interim Credit Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Without prejudice to the ability of the Interim Lender to enforce this Interim Financing Term Sheet in any other proper jurisdiction, the Borrower irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of Alberta, and further acknowledges and agrees that any disputes arising in respect of this Interim Financing Term Sheet shall be heard by the Court.
- 32. Currency:** All dollar amounts herein are in Canadian Dollars unless otherwise stated.
- 33. Counterparts:** This Interim Financing Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Interim Financing Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof; provided that the Borrower will deliver to the Interim Lender executed wet ink signatures within three (3) business days of entering into this Interim Financing Term Sheet.
- 34. Acceptance:** This Interim Financing Term Sheet is open for acceptance until 4:00 p.m. (Calgary time) on October 30, 2025. The Borrower may accept this Interim Financing Term Sheet by returning a countersigned copy of this Interim Financing Term Sheet to the Interim Lender (by electronic transmission or personal delivery).

[Signature Page Follows]

Dated this 30th day of October, 2025.

ACES CANADA SPV III ULC

By:



Name: Paul Kromwyk

Title: Chief Financial Officer

I have authority to bind the Corporation.

ACCEPTANCE

TO THE INTERIM LENDER:

For good and valuable consideration received, Blue Sky Resources Ltd. accepts and agrees to comply with the provisions of the Interim Financing Term Sheet set out above.

Dated this 30th day of October, 2025.

BLUE SKY RESOURCES LTD.

By: LB
Name: Mike Bouvier
Title: Interim President

I have authority to bind the Corporation.