

COURT/ESTATE FILE NUMBER

B301-276975
25-3276975



COURT

COURT OF KING'S BENCH OF ALBERTA

\$100.00

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

APPLICATION

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

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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File No. 101988-00025

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date:	Friday, November 7, 2025
Time:	3:00 p.m.
Where:	Edmonton Courts Centre (via Webex) https://albertacourts.webex.com/meet/virtual.courtroom86
Before Whom:	The Honourable Mr. Justice Neilson

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicant, Blue Sky Resources Ltd. (the "**Applicant**"), respectfully seeks an Order substantially the form attached hereto as Schedule "A" for, *inter alia*:
 - (a) abridging the time for service of this Application and the supporting materials, as necessary, and deeming service thereof to be good and sufficient;
 - (b) pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") extending the time for the Applicant to file a proposal to December 24, 2025;
 - (c) appointing Sayer Energy Advisors as sales agent (the "**Sales Agent**");
 - (d) sealing the unredacted copy of the engagement letter between the Applicant and the Sales Agent;
 - (e) approving a sale and investment solicitation process (the "**SISP**") in respect of the property, assets and undertaking of the Applicant (the "**Property**") and authorizing the Proposal Trustee (as hereinafter defined) and the Sales Agent to carry out the SISP;
 - (f) pursuant to section 50.6 of the BIA, declaring that the Applicant shall be authorized and empowered to obtain and borrow under a credit facility from ACES Canada SPV II ULC (the "**Interim Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes, provided that the borrowings under such credit facility shall not exceed \$2,500,000 unless permitted by further order of the Court;
 - (g) pursuant to section 50.6(3) of the BIA, declaring that the Interim Lender shall be entitled to a charge (the "**Interim Lender's Charge**") on the Property to secure all obligations to the Interim Lender, ranking subordinate only to the Administration Charge; and
 - (h) such further and other relief as counsel may request and this Honourable Court may deem appropriate in the circumstances.

Grounds for making this Application

2. The Applicant is insolvent and filed a Notice of Intention to Make a Proposal with the Official Receiver on September 24, 2025 (the “**NOI**”). KSV Restructuring Inc. is the proposal trustee (the “**Proposal Trustee**”) in the Applicant’s NOI proceedings.
3. The Applicant is an oil and gas exploration company with assets in Alberta, British Columbia and Saskatchewan.

Sales and Investment Solicitation Process

4. The Applicant has entered into an engagement letter with Sayer to act as Sales Agent in connection with the SISP.
5. The Applicant has worked with the Proposal Trustee and Sayer to develop a SISP which will be conducted by the Proposal Trustee and the Sales Agent. The SISP will be completed over a four month period.

Interim Financing Facility and Interim Lender’s Charge

6. The Applicant requires interim financing to fund these proceedings in addition to its ordinary course operations during these proceedings.
7. The Interim Lender has provided an interim loan agreement to the Applicant, which provides for a credit facility up to the principal amount of \$2,500,000 with interest at a rate of prime plus 7% per annum (the “**Interim Financing Facility**”).
8. Any advances under the Interim Financing Facility are conditional upon the Court granting a priority charge over the Property to secure the amounts drawn by the Applicant under the Interim Financing Facility.
9. The Interim Lender’s Charge is proposed to rank ahead of and have priority over all of the other security interests and court-ordered charges against the Applicant, with the exception of the Administration Charge.
10. The Proposal Trustee is of the view that the Interim Lender’s Charge is fair and reasonable in the circumstances and the Proposal Trustee supports the Interim Lender’s Charge.

Extension of Time to File Proposal

11. The time for filing a proposal will expire on November 9, 2025.
12. The Applicant requires an extension of the time to file a proposal to December 24, 2025, in order to commence the SISP.
13. The extension of time to file a proposal is appropriate because: (a) the Applicant has acted and are acting, in good faith and with due diligence; (b) the Applicant will likely be able to make a viable proposal if the extension is granted, and (c) no creditor will be materially prejudiced by the requested extension.

Material or evidence to be relied on:

14. The pleadings and proceedings had and taken in this Action;
15. The Affidavit of Mike Bouvier sworn October 30, 2025;
16. The Second Report of the Proposal Trustee, to be filed; and
17. Such further or other material or evidence as counsel may advise and this Court may permit.

Applicable Acts and Regulations:

18. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended; and
19. Such further and other Acts and Regulations as counsel may advise and this Court may permit.

Any irregularity complained of or objection relied on:

20. None.

How the application is proposed to be heard or considered:

21. Via Webex before the Honourable Mr. Justice Neilson.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"
DRAFT ORDER

Clerk's Stamp:

COURT/ESTATE FILE NUMBER 25-3276975

COURT COURT OF KING'S BENCH OF ALBERTA
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 **ORDER**
**(Interim Financing, Sales and Investment Solicitation
Process and Extension of Time to File Proposal)**

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

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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File No. 101988-00025

DATE ON WHICH ORDER WAS PRONOUNCED November 7, 2025
LOCATION OF HEARING OR TRIAL Edmonton, Alberta (Via Webex)
NAME OF JUDGE WHO MADE THIS ORDER Justice J. T. Neilson

UPON THE APPLICATION of Blue Sky Resources Ltd. (the "**Applicant**") filed October ♦, 2025 (the "**Application**"); **AND UPON** reading the Affidavit of Mike Bouvier sworn October 30, 2025 (the "**Bouvier Affidavit**"), and the Second Report of KSV Restructuring Inc., in its capacity as proposal trustee of the Applicant (the "**Proposal Trustee**") dated October ♦, 2025, **AND UPON** noting that the Applicant filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy*

and Insolvency Act, RSC 1985, c. B-3, as amended (the “**BIA**”) on September 24, 2025; **AND UPON** hearing the submissions of counsel for the Applicant, and the other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms otherwise used but not defined herein shall have the meanings ascribed to them in the Bouvier Affidavit.

SERVICE

2. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.

EXTENSION OF TIME TO FILE PROPOSAL

3. The time within which the Applicant is required to file a proposal to its creditors with the Official Receiver, under section 50.4 of the BIA is hereby extended to December 24, 2025.

APPROVAL OF SALES PROCESS

4. The sale and investment solicitation process (“**SISP**”) substantially in the form attached hereto as **Schedule “A”** is hereby approved.
5. The Proposal Trustee and the Sales Agent (as defined below) are hereby authorized and directed to proceed with the procedures set out in the SISP and to do all such things as are reasonably necessary to carry out its obligations thereunder and give full effect to the SISP.

SALES AGENT

6. Sayer Energy Advisors is appointed as sales advisor to carry out the SISP (the “**Sales Agent**”) in cooperation with the Proposal Trustee. The engagement letter for the Sales Agent dated October 28, 2025, as set out in Confidential Appendix “♦” to the Second Report (“**Confidential Appendix ♦**”) is approved.
7. Neither the Proposal Trustee nor the Sales Agent shall have any liability whatsoever to any person or party for any act or omission related to the SISP, except to the extent that such act or omission is the result of gross negligence or wilful misconduct on the part of the Proposal Trustee or the Sales Agent.

SEALING

8. Confidential Appendix “◆” shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.
9. The Clerk of this Honourable Court shall file the Confidential Appendix “◆” in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL APPENDIX “◆” TO THE SECOND REPORT OF KSV RESTRUCTURING INC., IN ITS CAPACITY AS PROPOSAL TRUSTEE OF BLUE SKY RESOURCES LTD. DATED OCTOBER ◆, 2025.

CONFIDENTIAL APPENDIX “◆” IS SEALED PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE NIELSON ON NOVEMBER 7, 2025, UNTIL THE COMPLETION OF THE SISP.

10. Any interested party may apply to this Court to vary or amend the provisions relating to the sealing of Confidential Appendix “◆” on not less than 7 days’ notice to the Applicant, the Proposal Trustee and to any other party likely to be affected by the order sought or upon such other notice as this Court may order.

INTERIM FINANCING

11. The terms of the interim financing facility, substantially in the form as set out in the interim financing term sheet dated as of October 30, 2025 (the “**Interim Financing Facility**”) attached as Exhibit “◆” to the Bouvier Affidavit is hereby approved.
12. The Applicant be and is hereby authorized to borrow up to \$2,500,000 from ACES Canada SPV II ULC (the “**Interim Lender**”) by way of the Interim Financing Facility to be advanced to the Applicant by the Interim Lender.
13. The present and after-acquired property, assets and undertaking of the Applicant (collectively, the “**Property**”) shall be, and hereby are, subject to a charge (the “**Interim Lender’s Charge**”), in order to secure repayment to the Interim Lender of amounts advanced under the Interim Financing Facility, which Interim Lender’s Charge shall be subordinate only to the Administration Charge in the within proceedings. The Interim Lender’s Charge shall secure advances made both before and after the making of this Order in respect of these proceedings.

PRIORITY OF COURT-ORDERED CHARGES

14. The respective ranking of the charges shall be as follows:

First, the Administration Charge; and

Second, the Interim Lender's Charge.

15. The filing, registration or perfection of the Interim Lender's Charge shall not be required, and the Interim Lender's Charge shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Interim Lender's Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
16. The Interim Lender's Charge shall constitute a charge on the Property and, subject to paragraph 15 above, such Interim Lender's Charge shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person (collectively, the "**Encumbrances**"), except the Administration Charge.
17. Except as otherwise provided herein, or as may be approved by this Honourable Court, the Applicant shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Interim Lender's Charge, unless the Applicant obtains the prior written consent of the beneficiaries of the Interim Lender's Charges (the "**Chargees**") or further order of this Court.
18. The Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or

- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an **“Agreement”**) that binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Interim Lender’s Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Interim Lender’s Charge, or the execution, delivery or performance of the Interim Financing Facility; and
 - (iii) the payments made by the Applicant pursuant to this Order and the granting of the Interim Lender’s Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

GENERAL

- 19. The Applicant and the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
- 20. Any interested party (including the Applicant and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days’ notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
- 21. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

J.C.K.B.A.

SCHEDULE "A"
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 at 12:00 PM (MT);
 - (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.

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- and -

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