

COURT/ESTATE FILE NUMBER B301-276975
25-3276975



COURT COURT OF KING'S BENCH OF ALBERTA MB
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 (STAY EXTENSION)

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ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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File No. 101988-00025

DATE ON WHICH ORDER WAS PRONOUNCED	December 17, 2025
LOCATION OF HEARING OR TRIAL	Edmonton, Alberta (Via Webex)
NAME OF JUDGE WHO MADE THIS ORDER	Justice G. S. Dunlop

UPON THE APPLICATION of the Applicant, Blue Sky Resources Ltd. ("**Blue Sky**"); **AND UPON** having reviewed the Affidavit of Mike Bouvier, sworn December 10, 2025 (the "**Bouvier Affidavit**") the Third Report of the KSV Restructuring Inc., in its capacity as proposal trustee of the Applicant (the "**Proposal Trustee**"), and the Affidavit of Service of Emily Nakogee, sworn December 17, 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 Blue Sky is required to file a proposal to its creditors with the Official Receiver, under section 50.4 of the BIA is hereby extended to February 7, 2026.

KERP AND KERP CHARGE

4. The key employee retention plan ("**KERP**") attached as Confidential Exhibit "A" to the Bouvier Affidavit (the "**Confidential Exhibit**") is hereby approved and Blue Sky is authorized and directed to make payments in accordance with the terms thereof to a maximum aggregate amount of \$75,000.
5. Blue Sky and any other person that may be appointed to act on behalf of Blue Sky, including, without limitation, a trustee, liquidator, receiver, interim receiver, receiver and manager or any other person acting on behalf of Blue Sky, is hereby authorized and directed to implement and perform its obligations under the KERP in accordance with the terms of the KERP and as may be amended or modified by further Order of this Court.
6. Blue Sky is hereby authorized and directed to execute and deliver such additional documents as may be necessary to give effect to the KERP, subject to the prior approval of the Proposal Trustee, or as may be order by this Court.
7. The KERP Employees (as defined in the KERP) shall be entitled to the benefit and are hereby granted a charge (the "**KERP Charge**") on all of the present and after-acquired assets, property and undertaking of Blue Sky (collectively, the "**Property**"), which shall not exceed the aggregate amount of \$75,000, to secure amounts payable to the KERP Employees pursuant to paragraph 4 of this Order.

PRIORITY OF COURT-ORDERED CHARGES

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

First, the Administration Charge.

Second, the Interim Lender's Charge.

Third, the KERP Charge.

9. The filing, registration or perfection of the KERP Charge shall not be required, and the KERP Charge shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the KERP Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
10. The KERP Charge shall constitute a charge on the Property, such 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**").
11. Except as otherwise provided herein, or as may be approved by this Honourable Court, Blue Sky shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the KERP Charge, unless the Applicant obtains the prior written consent of the beneficiaries of the KERP Charge (the "**Chargees**") or further order of this Court.
12. The KERP 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 Blue Sky, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the KERP 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 Blue Sky 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 KERP Charge; and
- (iii) the payments made by Blue Sky pursuant to this Order and the granting of the KERP 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.

SEALING

- 13. The Confidential Exhibit shall be sealed in the Court file and shall not form part of the public record, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.
- 14. The Clerk of this Honourable Court shall file the Confidential Exhibit in a sealed envelope

THIS ENVELOPE CONTAINS A CONFIDENTIAL EXHIBIT TO THE
AFFIDAVIT OF MIKE BOUVIER SWORN DECEMBER 10, 2025

CONFIDENTIAL EXHIBIT IS SEALED PURSUANT TO AN ORDER
ISSUED BY THE HONOURABLE JUSTICE G.S. DUNLOP ON
DECEMBER 17, 2025.

- 15. Any interested party may apply to this Court to vary or amend the provisions relating to the sealing of the Confidential Exhibit on not less than 7 days' notice to Blue Sky, 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.

GENERAL

- 16. Blue Sky 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.

17. Any interested party (including Blue Sky 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.
18. 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.