



COM-Jan 14, 2026



COURT FILE NUMBER **25-3276975**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

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

DOCUMENT **FOURTH REPORT OF THE PROPOSAL TRUSTEE**

JANUARY 13, 2026

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
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Contents	Page
1.0 Introduction	1
2.0 Background	4
3.0 Sale and Investment Solicitation Process (SISP)	5
4.0 Royalty Default Application	6
5.0 Cash Flow Statement.....	7
6.0 AER Matters	10
7.0 Activities of the Company and Proposal Trustee	11
8.0 Conclusion and Recommendation	13

Appendix

Third Cash Flow Statement, together with Management's Report	A
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1.0 Introduction

1. This report (this “**Fourth Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with the Notice of Intention to Make a Proposal (“**NOI**”) filed on September 24, 2025 (the “**NOI Filing Date**”) by Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Company**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceeding**”).
2. The principal purposes of the NOI Proceeding are to: (i) provide for a stay of proceedings to allow the Company an opportunity to complete a court-supervised sale and investment solicitation process (“**SISP**”) to maximize the value of the Company’s assets for the benefit of its stakeholders; and (ii) provide a formal process for Blue Sky’s creditors and stakeholders to obtain information about the Company.
3. On October 15, 2025, the Court of King’s Bench of Alberta (the “**Court**”) granted, among other things, the following relief:
 - a) Blue Sky’s application for an Order which, among other matters, extended the period in which Blue Sky can make a proposal to its creditors and the stay of proceedings up to and including November 9, 2025 (the “**Stay of Proceedings**”); and
 - b) Blue Sky’s application for an Order which, among other matters, granted a charge against Blue Sky’s current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the “**Property**”), to not exceed \$500,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, Bennett Jones LLP (“**Bennett Jones**”), and the Company’s counsel, DLA Piper (Canada) LLP (“**DLA**”) (the “**Administration Charge**”).
4. Between November 7 and November 20, 2025 the Court granted, among other things, the following relief:
 - a) approval of the SISP;

- b) authorization for the Company to borrow from ACES Canada SPV III ULC (the “**Interim Lender**”) pursuant to an interim facility term sheet (the “**Interim Facility Term Sheet**”) and granting the interim lender’s charge (the “**Interim Lender’s Charge**”), ranking only subordinate to the Administration Charge;
 - c) an extension of the Stay of Proceedings up to and including December 24, 2025;
 - d) authorization for the Proposal Trustee and Sayer Energy Advisors (“**Sayer**” or the “**Sales Agent**”) to conduct the SISP;
 - e) Blue Sky’s application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Tamarack Valley Energy; and
 - f) Blue Sky’s application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Spur Petroleum Ltd.
5. On December 17, 2025, the Court granted Blue Sky’s application for an Order (the “**December Stay Extension Approval Order**”) which includes, among other matters, the following relief:
- i. a charge in favour of the Key Employee Retention Plan for amounts payable to certain key personnel up to a maximum of \$75,000; and
 - ii. an extension of the Stay of Proceedings up to and including February 7, 2025.

1.1 Purposes of this Fourth Report

1. This Fourth Report is intended to provide the Court with an update on activities and the status of the NOI Proceedings and information related to Canadian Natural Resources Limited’s (“**CNRL**”) application related to demands for payment issued by the Government of Alberta, Department of Energy and Minerals (“**Alberta Energy**”) with respect to gas royalty arrears which is scheduled for January 14, 2026 (the “**Royalty Default Application**”). This Fourth Report specifically provides information regarding:

- a) the Proposal Trustee's activities since the third report of the Proposal Trustee, dated December 16, 2025 (the "**Third Report**");
- b) the Company's activities since the Third Report;
- c) the Company's actual performance versus the Company's cash flow statement for the period commencing on December 15, 2025 and ending February 8, 2026 (the "**Third Cash Flow Statement**");
- d) an update on the status of the SISP;
- e) an update on the Alberta Energy Regulator (the "**AER**") matters; and
- f) CNRL's application for an Order which includes, among other matters, the following relief:
 - i. declaring all demands for payments made by Alberta Energy in respect of the Leaseholder Recourse Default Letter dated September 25, 2025 (the "**Royalty Default Letter**"), constitute a claim provable in the NOI Proceeding; and
 - ii. extending the Stay of Proceedings to the demands for payment issued in respect of the Royalty Default Letter.

1.2 Scope and Terms of Reference

1. In preparing this Fourth Report, the Proposal Trustee has relied upon the Company's unaudited financial information, books and records, information available in the public domain and discussions with the Company's management and legal counsel.
2. The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Fourth Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. This Fourth Report should be read in conjunction with the materials filed by the Company, including the First Affidavit of Ilyas Chaudhary, sworn October 8, 2025, the First Affidavit of Mike Bouvier, sworn October 30, 2025, the Second Affidavit of Mike Bouvier sworn November 4, 2025, the Third Affidavit of Mike Bouvier sworn December 10, 2025 and any affidavit filed by the Company in advance of the January 14, 2026 hearing (collectively, the “**Blue Sky Affidavits**”). This Fourth Report should also be read in conjunction with the affidavit of Erin Lunn of CNRL, sworn November 14, 2025, the affidavit of William Taljit of Alberta Energy, sworn December 12, 2025 and the supplemental affidavit of William Taljit, Sworn on January 8, 2026 (together the “**CNRL Application Affidavits**”). Capitalized terms not defined in this Fourth Report have the meanings ascribed to them in the Blue Sky Affidavits or the CNRL Application Affidavits.

1.3 Currency

1. Unless otherwise noted, all currency references in this Fourth Report are in Canadian dollars.

1.4 Court Materials

1. Court materials filed in these NOI Proceedings are made available by KSV on its case website at <https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd> (the “**Case Website**”).

2.0 Background

1. Blue Sky, a corporation registered in accordance with the laws of Alberta, operates as an oil and gas producer from its headquarters in Calgary, Alberta. The Company operates its licensed assets throughout Alberta, British Columbia and Saskatchewan.
2. A detailed background on the Company, the Company’s liquidity position, and the reasons for the NOI Proceeding have been included in the first report of the Proposal Trustee dated October 10, 2025 and the Blue Sky Affidavits.

3.0 Sale and Investment Solicitation Process (SISP) ¹

1. The Company's SISP is discussed in greater detail in the second report dated November 4, 2025 (the "**Second Report**"). The SISP contains the following milestones:

Milestone	Deadline
Commencement Date	On or before December 5, 2025
Bid Deadline for non-Binding Letters of Intent	January 29, 2026 ²
Definitive Agreement Deadline	February 20, 2026
Outside Closing Date for Definitive Agreements	March 20, 2026

2. As discussed in the Third Report, the SISP was launched on December 5, 2025.
3. As of the date of this Fourth Report, the Sales Agent is of the view the SISP is progressing favourably with a large number of interested purchasers who have signed confidentiality agreements and requested access to the data room.
4. The data room contains various information with respect to the Company and also includes a letter from the Interim Lender inviting any party who is interested in purchasing specific assets to contact the Interim Lender if financing is required.
5. As of the date of this report, the Interim Lender has not provided confirmation pursuant to paragraph 8 of the SISP that it (i) will not submit a Bid for the Company or any of the Property (ii) not provide financing to any other party that makes a Bid for the Company or any of the Property, and (iii) only submit a Bid pursuant to paragraphs 33-34 of the SISP. As a result, confidential information pursuant to paragraph 9 of the SISP has not been disclosed to the Interim Lender.

¹ Capitalized terms in this section have the meaning provided to them in the SISP, unless otherwise defined herein.

² A Qualified Bid must be submitted no later than 12:00 PM Calgary time on the Bid Deadline.

4.0 Royalty Default Application

1. As reported in the Second Report, CNRL has scheduled a Court application to determine the validity of the Royalty Default Letter which seeks to pursue co-lessees for crown mineral lease arrears under leases held jointly with Blue Sky. Alberta Energy relies upon Section 20(2.1) of the *Mines and Minerals Act* to support its demand for payment from co-lessees. Section 20(2.1) states:

Where 2 or more persons are recorded with the Department as lessees of an agreement, (a) those lessees in relation to the Crown are jointly responsible for the obligations and liabilities that arise under that agreement, notwithstanding that the agreement was issued before, on or after the coming into force of this subsection, and (b) a judgment in favour of the Crown against one or more of those lessees or a release by the Crown in favour of one or more of those lessees does not preclude the Crown from obtaining judgment against the other lessees in the same or a separate proceeding.

2. CNRL acknowledges that Alberta Energy is entitled to recover the royalty arrears but asserts that Alberta Energy must advance claims against the Company's estate in the NOI Proceedings prior to seeking any recoveries from third party lessees. Cenovus Energy Inc. ("**Cenovus**") and other co-lessees support CNRL's position.
3. Alberta Energy has recognized the Company is not affected by the Royalty Default Letter as a result of the Stay of Proceedings. The Stay of Proceedings does not currently extend to any obligations that the Court may find that parties other than Blue Sky may have.
4. The Proposal Trustee does not take a position on the Royalty Default Application. Nonetheless, its summary views on the effects of a decision on the Royalty Default Application are below:
 - a) If the Court agrees with CNRL and Cenovus, Blue Sky's unpaid royalties would be treated as a cure cost that must be satisfied by a purchaser under the SISP before any transaction could close; and

- b) Conversely, if the Court agrees with Alberta Energy, co-lessees would be required to pay their obligations and could then file a claim against the Company's estate for a potential recovery (a "**Co-Lessees' Claim**"). In this scenario, the Proposal Trustee would review whether a Co-Lessees' Claim should be treated still as a cure cost or rather an unsecured claim. If treated as an unsecured claim, it is possible additional funds from the SISP may be available to all other stakeholders because it is reasonable to assume that purchasers in determining their purchase price would deduct the amount of cure costs payable, and if those costs are no longer payable, this would reflect an increased purchase price, assuming all other things remain equal.

5.0 Cash Flow Statement

1. Pursuant to subsection 50.4(2)(a) of the BIA, the Company prepared the Third Cash Flow Statement for the period ending February 8, 2026 (the "**Period**") which was attached to the Third Report. The Third Cash Flow Statement, together with Management's Report on the Third Cash Flow Statement as required by subsection 50.4(2)(c) of the BIA, are collectively attached hereto as **Appendix "A"**.
2. The Third Cash Flow Statement was prepared by the Company with the assistance of the Proposal Trustee. The Company's receipts during the Period are comprised largely of proceeds from the operation of the Company's producing licensed assets. Projected disbursements are primarily for funding the Company's operations, payroll, insurance, contractor payments, utilities, rent, and other operating expenses and professional fees.

5.1 Performance Against the Third Cash Flow Statement

1. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Company's business and financial affairs since the NOI Filing Date.

2. A review process was established with the Company to review weekly cash variances. A comparison of the Company's receipts and disbursements to the Third Cash Flow Statement for the period from December 16, 2025 to January 2, 2026 (the "**Reporting Period**") is as follows:

Reporting Period (\$CAD)	Actual	Third Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash Balances	762,030	762,030	-
Operating Receipts	951,416	1,288,280	(336,864)
Other Proceeds	413,411	-	413,411
Interim Financing	-	900,000	(900,000)
Total Receipts	1,364,827	2,188,280	(823,453)
Operating Disbursements	(1,796,535)	(2,075,218)	278,683
Other Disbursements	(71,361)	(205,000)	133,639
Net Cash Flow	(503,069)	(91,938)	(411,132)
Closing cash balance	258,960	670,092	

Proposal Trustee's Comments

1. For the Reporting Period, the variance in cash receipts was due to:
 - a) Operating Receipts – Operating receipts were lower than forecast as the Third Cash Flow Statement originally forecasted the Company would receive the production revenue derived from the monthly take-in-kind payments to the Company's secured lender. This forecast was generated on the assumption that the secured lender would consent to delivering the take in kind payments to the Company. Following discussions between the Company and the Interim Lender (who is the same party as the Company's secured lender), these monthly take-in-kind payments continue to be made to the secured lender on the basis that the Company continues to receive funding pursuant to the Interim Facility Term Sheet;

- b) Other Proceeds – Reflects proceeds received from the unwinding of a hedge held by the Company. On or around December 23, 2025, Cargill Inc. (“**Cargill**”) unwound certain hedge obligations (collectively, the “**Unwound Hedge Obligations**”) under the 2002 ISDA Master Agreement, dated as of July 3, 2024 (collectively with all related schedules, the “**ISDA Agreements**”), between Blue Sky and Cargill. The net effect of unwinding the Unwound Hedge Obligations was that approximately \$413,000 was left owing by Cargill to the Company (the “**Hedge Proceeds**”). Cargill asserts that the ISDA Agreements are “Eligible Financial Contracts” as such term is defined in the *Bankruptcy and Insolvency Act (Canada)*. Subsequently, the Proposal Trustee understands Cargill takes the position that it has the right, pursuant to the ISDA Agreements, to set off the amount of the Hedge Proceeds against pre-filing debt obligations owing by the Company. Cargill asserts that it is entitled to do this, since the ISDA Agreements are Eligible Financial Contracts. Cargill, as a member of the lending syndicate under the Interim Facility Term Sheet, then provided the Hedge Proceeds as an Advance (as such term is defined in the Interim Facility Term Sheet) to the Company. As a result, Cargill asserts that the Hedge Proceeds constitute an amount owing under the Interim Facility Term Sheet and secured by the Interim Financing Charge; and
- c) Interim Financing – On December 19, 2025, the Company submitted a request for funding to the Interim Lender in the amount of \$1,028,000 for funds available under the Interim Facility Term Sheet (the “**Funding Request**”). As it was Cargill’s position that the Hedge Proceeds constitute an Advance under the Interim Facility Term Sheet, the Interim Lender subsequently informed the Company that the Hedge Proceeds form a portion of the funds advanced in response to the Funding Request and that payment of the remaining Funding Request would only be made if their financial advisor received certain requested information (the “**Additional Information**”), including a revised cash flow which, among other changes: (i) extended the forecast out to cover the entire period of the SISF; (ii) contemplated continued payment of the take-in-kind amounts to the Company’s secured lender; and (iii) forecasted the total required interim financing to complete the NOI Proceedings. The Proposal Trustee understands this Additional Information was then subsequently provided to the Interim Lender. As of the date of this report, excluding the proceeds from the Hedge Proceeds, approximately \$102,000 has been advanced by the Interim Lender

under the Funding Request. The Company remains in discussions with the Interim Lender to advance the remaining outstanding amounts on the Funding Request.

2. Operating and non-operating disbursements were lower due primarily to timing of certain payments. Overall, the net cash flow over the Reporting Period results in a unfavourable variance of approximately \$411,000.
3. Notwithstanding the unfavourable variance, the Proposal Trustee is of the view that this variance will reverse if the remainder of the Funding Request is received. As highlighted in the Third Report, it remains important to note that the Company will likely need access to additional funding in future periods to complete these NOI Proceedings. As of the date of this Fourth Report, the Proposal Trustee understands the Company is currently in discussions with the Interim Lender to obtain the additional funds required to complete these NOI Proceedings.

6.0 AER Matters

1. As discussed in the Third Report, on November 10, 2025, the AER issued a suspension order (the “**Suspension Order**”) requiring Blue Sky to suspend all of its sites by December 10th, 2025, unless specific sites are approved for continued operation by the AER manager under clauses 7-9 of the Suspension Order.
2. In response, on November 24, 2025, Blue Sky submitted to the AER an operating plan (the “**Operating Plan**”) that outlines how Blue Sky intends to operate and respond to the issues raised by the AER in the Suspension Order. We also understand the Company met with the AER to discuss the specifics of the Operating Plan and remained optimistic that the Operating Plan would be accepted by the AER especially considering the Company’s cash flows provided for specific disbursements towards regulatory compliance activities.
3. On December 8, 2025, the AER issued a letter titled “AER response to the Blue Sky’s proposed Operating Plan under November 10, 2025, Suspension Order” (the “**AER Response Letter**”). A copy of the Suspension Order and the AER Response Letter are attached as appendices to the Third Report. The AER Response Letter denied Blue Sky’s request to continue operating sites with rationale that included:

- a) Outstanding non-compliances;
 - b) Magnitude of high risk non-compliances; and
 - c) Lack of progress on the Environmental Protection Order that was issued on July 18, 2024.
4. The Company subsequently sought a stay of the Suspension Order until a decision with respect to a regulatory appeal is made (the “**Stay Application**”). In response, on December 17, 2025 the AER delivered an email to the Company advising that the AER would grant an extension to the original suspension deadline of December 17, 2025 to January 19, 2026. This extension applies to only specific sites included in the Company’s Operating Plan. The AER also requested that the Company submit its written reply submissions supporting the Stay Application by January 6, 2026. The written reply submissions were submitted to the AER on January 6, 2026.
5. On January 7, 2026, the AER advised that it would receive additional written submissions from both the AER’s regulatory compliance group and the Company, in respect of certain issues that were addressed in the Company’s written reply submission. The AER’s regulatory compliance response is due on January 12, 2026, and the Company’s reply is due on January 15, 2026.
6. The Proposal Trustee will continue to monitor whether the Stay Application is granted by the AER. As noted in the Third Report, the Third Cash Flow Statement has been prepared on the assumption that the Company is able to continue its production of certain sites licensed by the AER in accordance with its Operating Plan. If the Stay Request is denied, the Proposal Trustee anticipates that a Material Adverse Change Report will be issued by the Proposal Trustee pursuant to Section 50(10) of the BIA to the Court, the official receiver and to the Company’s creditors.

7.0 Activities of the Company and Proposal Trustee

7.1 Activities of the Proposal Trustee

1. Since the Third Report, the Proposal Trustee has performed the following key activities:
- a) assisting the Company with its communications to both internal and external stakeholders;

- b) monitoring the affairs of the Company's business including reviewing financial information with management;
- c) assisting the Company in preparing the Additional Information and corresponding with the Interim Lender;
- d) corresponding with the Company regarding the Funding Request and treatment of the Hedge Proceeds;
- e) corresponding with parties involved in pre-filing purchase agreements regarding outstanding license transfers;
- f) corresponding and holding numerous discussions with management, Bennett Jones and DLA with respect to general filing matters;
- g) reviewing the application materials filed in respect of the Royalty Default Application;
- h) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders;
- i) assisting the sales agent in conducting the SISP and reviewing confidentiality agreements submitted by various interested parties;
- j) responding to calls and emails from creditors, suppliers, landowners, and other stakeholders;
- k) maintaining the Case Website for these NOI Proceedings; and
- l) preparing this Fourth Report.

7.2 Activities of the Company

1. The Proposal Trustee has observed certain key activities of the Company since the Third Report as follows:
 - a) communicating with various stakeholders and creditors regarding the NOI Proceedings, in consultation with the Proposal Trustee;
 - b) preparing information in response to the Suspension Order;

- c) preparing the Funding Request and providing the Additional Information to the Interim Lender and its financial advisor;
- d) corresponding with the Interim Lender in respect of the Unwound Hedge Obligations and treatment of the Hedge Proceeds;
- e) corresponding with parties involved in pre-filing purchase agreements regarding outstanding license transfers;
- f) with assistance from DLA, delivering the Stay Application to the AER;
- g) assisting the Sales Agent in conducting the SISP;
- h) with the assistance of the Proposal Trustee, responding to various questions by vendors;
- i) corresponding extensively with DLA and the Proposal Trustee;
- j) discussions with pre-filing purchasers on AER license transfers;
- k) communicating on an ongoing basis with certain creditors and/or their advisors; and
- l) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements.

7.3 Security Opinion

1. On December 9, 2025, Bennett Jones delivered an initial opinion on the security held by the Company's secured lenders, subject to the customary qualifications (the "**Security Opinion**"). At the time, the Security Opinion noted various document discrepancies. On January 2, 2025, Bennett Jones raised the discrepancies identified earlier with counsel for Blue Sky and the secured lenders. At the time of this Fourth Report, the Proposal Trustee understands the secured lenders and the Company are working to address the various identified discrepancies.

8.0 Conclusion and Recommendation

1. KSV respectfully submits the forgoing as an update on these NOI Proceedings and a its comments on the Royalty Default Application.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
in its capacity as Proposal Trustee in the proposal of
Blue Sky Resources Ltd., and not in its personal capacity**

Appendix “A”

Blue Sky Resources Ltd.
Cash Flow Forecast
December 15, 2025 to February 8, 2026

For the week ending, in CAD	Notes	Actual Performance To Date	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
			21-Dec-25	28-Dec-25	04-Jan-26	11-Jan-26	18-Jan-26	25-Jan-26	01-Feb-26	08-Feb-26	
Opening cash balance		27,189	762,030	22,030	410,310	670,092	101,092	298,592	1,351,697	588,052	27,189
Cash Receipts											
Revenue from Operations		6,245,306	-	1,288,280	-	-	-	1,213,105	-	-	8,746,691
Less TIK obligations		(1,894,230)	-	-	-	-	-	-	-	-	(1,894,230)
	Note 1	4,351,076	-	1,288,280	-	-	-	1,213,105	-	-	6,852,461
Cash Disbursements											
Operating Expenses											
Payroll - Operators	Note 2	(1,487,979)				(485,000)					(1,972,979)
Operating Expenses - Power & Utilities	Note 3	(969,268)	(400,000)	(750,000)	(400,000)	-			(600,000)	-	(3,119,268)
Operating Expenses - Fuel & Chemical	Note 3	(89,498)	(10,000)		-	(39,000)		-	(16,500)	-	(154,998)
Operating Expenses - Sales Oil Hauling & Processing	Note 3	(290,134)	-	(110,000)	-	(20,000)	-	(20,000)	-	-	(440,134)
Operating Expenses - Repairs and maintenance	Note 3	(253,969)	(25,000)	-	-	(25,000)	-	(25,000)	-	-	(328,969)
Operating Expenses - Surface & mineral leases	Note 3	(366,698)	(110,000)	-	-	-		(115,000)	-	-	(591,698)
Operating Expenses - Regulatory compliance	Note 3	(208,284)	(25,000)	-	(25,000)	-	(50,000)	-	-	(35,000)	(343,284)
Rent	Note 4	(145,247)	-	-	(46,645)	-	-	-	(46,645)	-	(238,537)
Operating Contingency		(11,857)	-	-	(15,000)	-	(15,000)	-	-	-	(41,857)
		(3,822,934)	(570,000)	(860,000)	(486,645)	(569,000)	(65,000)	(160,000)	(663,145)	(35,000)	(7,231,724)
Other Disbursements											
General and administrative expense - Payroll Employees/Office Consultants	Note 5	(852,730)	-	-	(100,500)	-	(100,500)	-	(100,500)	-	(1,154,230)
General and administrative expense - Other	Note 6	(237,655)	(5,000)	-	(53,073)	-	(5,000)	-		(53,073)	(353,801)
		(1,090,386)	(5,000)	-	(153,573)	-	(105,500)	-	(100,500)	(53,073)	(1,508,032)
Total disbursements before professional fees		(4,913,319)	(575,000)	(860,000)	(640,218)	(569,000)	(170,500)	(160,000)	(763,645)	(88,073)	(8,739,755)
Professional Fees											
Company counsel legal fees		(203,493)	(75,000)	-	-	-	(75,000)	-	-	-	(353,493)
Trustee fees		(163,744)	(50,000)	-	-	-	(50,000)	-	-	-	(263,744)
Trustee's counsel fees		(2,680)	(40,000)	(40,000)	-	-	(40,000)	-	-	-	(122,680)
Total Professional Fees		(369,916)	(165,000)	(40,000)	-	-	(165,000)	-	-	-	(739,916)
Net cash flow		(932,160)	(740,000)	388,280	(640,218)	(569,000)	(335,500)	1,053,105	(763,645)	(88,073)	(2,627,210)
Interim financing											
Interim financing advances / (repayments)	Note 7	967,000	-	-	900,000	-	533,000	-	-	-	2,400,000
Asset sales											
Proceeds from asset sales		700,000	-	-	-	-	-	-	-	-	700,000
Closing cash balance		762,030	22,030	410,310	670,092	101,092	298,592	1,351,697	588,052	499,979	499,979

Management of Blue Sky Resources Ltd. ("**Blue Sky**" or the "**Company**") has prepared this forecasted cash-flow statement (the "**Cash Flow Forecast**") based on probable and hypothetical assumptions detailed in Notes 1 to 7. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("**NOI**") filed by the Company on September 24. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Company is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Calgary in the Province of Alberta, this 15th day of December 2025.

Blue Sky Resources Ltd.

Per: Signed by:



Mike Boudreau
President

KSV Restructuring Inc.

Per: Signed by:



Andrew Bassi
Managing Director

Blue Sky Resources Ltd.
Notes to the Cash Flow Forecast
December 15, 2025 to February 8, 2026

Note 1: Reflects the Company's cash receipts, which will no longer be net of a take-in-kind credit agreement with the Company's secured lender. Revenues assume the Company is able to continue production of certain sites licensed by the AER in accordance with its Operating Plan.

Note 2: Reflects payroll costs for the Company's operating employees.

Note 3: Reflects production and operating expenses including trucking, utilities, mineral and surface leases, repair and maintenance and regulatory compliance.

Note 4: Represents occupancy costs for the Company's head office and camp locations.

Note 5: Reflects payroll costs for the Company's head office employees and contractors.

Note 6: Reflects the Company's miscellaneous admin costs including insurance.

Note 7: The Cash Flows Forecast reflects draw downs from the funds available under the Interim Facility Term Sheet, which reflects the needs of the Company as forecasted by the cash flow.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA**

The management of Blue Sky Resources Ltd. (the “Company”) has developed the assumptions and prepared the attached statement of projected cash flow of the Company for the period ending February 8, 2026.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 7.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose of supporting the Company’s Notice of Intention to Make a Proposal filed on September 24, using a set of hypothetical and probable assumptions set out in Notes 1 to 7. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 15th day of December, 2025.

Blue Sky Resources Ltd.

Signed by:



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Per: Mike Bouvier