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| 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 | SECOND REPORT OF THE PROPOSAL TRUSTEE NOVEMBER 4, 2025 |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | <u>PROPOSAL TRUSTEE</u> KSV Restructuring Inc. 324-8 th Avenue SW, Suite 1165 Calgary, AB T2P 2Z2 Attention: Andrew Basi/Ross Graham Telephone: (587) 287-2670/(587) 287-2750 Facsimile: (416) 932-6266 Email: abasi@ksvadvisory.com rgraham@ksvadvisory.com <u>PROPOSAL TRUSTEE'S COUNSEL</u> 4500 Bankers Hall East 855 - 2nd Street SW Calgary, AB, T2P 4K7 Attention: Keely Cameron Telephone: (403) 298-3324 E-Mail: cameronk@bennettjones.com |

| Contents | Page |
|---|-------------|
| 1.0 Introduction | 1 |
| 2.0 Background | 5 |
| 3.0 Sale and Investment Solicitation Process (SISP) | 5 |
| 4.0 Sales Agent | 6 |
| 5.0 Interim Loan | 8 |
| 6.0 Sale Transactions | 13 |
| 7.0 Sealing | 16 |
| 8.0 Cash Flow Statement | 17 |
| 9.0 Company's Request for a Stay Extension | 19 |
| 10.0 Activities of the Company and Proposal Trustee | 20 |
| 11.0 Other Matters | 22 |
| 12.0 Conclusion and Recommendation | 23 |

Appendix

| | |
|---|---|
| Interim Facility Term Sheet | A |
| Interim Loan Comparison | B |
| First Cash Flow Statement and Management's Report Theron | C |
| Second Cash Flow Statement and Management's Report Theron | D |
| Proposal Trustee's statutory report on the Second Cash Flow Statement | E |

Confidential Appendix

| | |
|---|---|
| Unredacted Sayer Engagement Agreement | 1 |
|---|---|

1.0 Introduction

1. This report (this “**Second 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 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**”).

1.1 Purposes of this Second Report

1. This Second Report is intended to provide the Court of King’s Bench of Alberta (the “**Court**”) with an update on activities and further information related to the relief sought by the Company in its application scheduled for November 7, 2025. This Second Report specifically provides information regarding:

- a) the Proposal Trustee's activities since the first report of the Proposal Trustee, dated October 10, 2025 (the "**First Report**");
- b) the Company's activities since the First Report;
- c) the Proposal Trustee's comments and report on the Company's cash flow statement for the period commencing on September 24, 2025 and ending December 28, 2025 (the "**First Cash Flow Statement**");
- d) the Company's actual performance to date versus the First Cash Flow Statement;
- e) the Proposal Trustee's comments and report on the Company's cash flow statement for the period commencing October 27, 2025 and ending January 25, 2026 (the "**Second Cash Flow Statement**");
- f) summarize the terms of a proposed DIP facility (the "**Interim Loan**") in the maximum principal amount of \$2.5 million to be made available to the Company pursuant to a term sheet (the "**Interim Facility Term Sheet**") between the Company and ACES Canada SPV III ULC (the "**Interim Lender**");
- g) Blue Sky's application for an Order (the "**Approval Order**") which includes, among other matters, the following relief:
 - i. approving of the SISP;
 - ii. authorizing the Company to obtain and borrow from the Interim Lender pursuant to the Interim Facility Term Sheet;
 - iii. declaring that the Interim Lender shall be entitled to a charge (the "**Interim Lender's Charge**"), ranking only subordinate to the Administration Charge;
 - iv. extending the Stay of Proceedings up to and including December 24, 2025 (the "**Stay of Proceedings**");
 - v. authorizing the Proposal Trustee and Sayer Energy Advisors ("**Sayer**" or the "**Sales Agent**") to conduct the SISP;

- vi. appointing Sayer as the sales agent in accordance with the SISP and approving the engagement agreement between the Company and Sayer;
- vii. Blue Sky's application for a sale approval and vesting order approving the sale transaction (the "**Tamarack Asset Purchase Agreement**") pursuant to the purchase and sale agreement dated November 4, 2025 (the "**Tamarack Asset Purchase Agreement**"), between the Company and Tamarack Valley Energy ("**Tamarack**").
- viii. Blue Sky's application for a sale approval and vesting order approving the sale transaction (the "**Spur Transaction**") pursuant to the purchase and sale agreement dated November 4, 2025 (the "**Spur Asset Purchase Agreement**"), between the Company and Spur Petroleum Ltd. ("**Spur**").
- ix. sealing the Sealed Documents (as defined below).

1.2 Scope and Terms of Reference

1. In preparing this Second 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 Second 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. An examination of the Second Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Second Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. Accordingly, the Proposal Trustee does not express any opinion or other form of assurance on whether the Second Cash Flow Statement will be achieved.
4. This Second 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 and any supplemental affidavit filed by the Company in advance of the November 7, 2025 hearing (collectively, the "**Blue Sky Affidavits**"). Capitalized terms not defined in this Second Report have the meanings ascribed to them in the Blue Sky Affidavits.

1.3 Currency

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

1.4 Court Materials

1. Court materials filed in these 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 and the Blue Sky Affidavits.

3.0 Sale and Investment Solicitation Process (SISP) ¹

1. The Company is seeking approval of the SISP, which was developed in consultation with its legal counsel, the Sales Agent, and the Proposal Trustee to solicit interest in and opportunities for an acquisition, restructuring, or other form of reorganization of the Company's business and affairs. The SISP will enable the Company to test the market and pursue a transaction that maximizes value for its stakeholders.
2. The SISP will be conducted by the Proposal Trustee and the Sales Agent, with assistance from the Company. The Sales Agent will provide interested parties with a teaser letter describing the opportunity on or about December 5, 2025. For interested parties that have executed an NDA in a form acceptable to the Company, the Sales Agent will provide them with a confidential information memorandum and access to a virtual data room containing due diligence information.
3. The various key milestones of the proposed SISP are summarized below; however, interested parties are strongly encouraged to review the full terms of the SISP attached as Schedule "A" to the proposed Approval Order.

| 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 |

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.

3.1 SISP Recommendation

1. The Proposal Trustee recommends that this Court approve and authorize the SISP for the following reasons:
 - a) the SISP provides for a marketing of the Company's business by the Sales Agent, which is a highly qualified financial advisory firm with extensive experience in Canadian oil and natural gas mergers and acquisitions;
 - b) the SISP provides an opportunity to complete a transaction (or multiple transactions) that will benefit all stakeholders;
 - c) in the Proposal Trustee's view, the duration of the SISP is sufficient to allow interested parties to perform the required diligence and submit Qualified Bids. The Proposal Trustee notes that the duration of the SISP reflects a balance between ensuring that sufficient time is available to attempt to identify a value-maximizing transaction and ensuring that there is cash available to fund these proceedings. Further, the Proposal Trustee notes that the Bid Deadline can be extended by the Sales Agent or the Proposal Trustee, in consultation with the Company, based on the activity levels generated by the SISP and whether sufficient cash is available; and
 - d) as at the date of this Report, the Proposal Trustee is not aware of any objections to the SISP, and is not aware of any party who would be prejudiced by the SISP.

4.0 Sales Agent³

4.1 Sayer Energy Advisors

1. The Company is seeking the Court's approval to retain Sayer as its Sales Agent, in accordance with the proposed SISP. If approved, the SISP shall be conducted by the Proposal Trustee and the Sales Agent, in consultation with the Company.

³ Capitalized terms in this section have the meaning provided to them in the Sayer Engagement Agreement, unless otherwise defined herein.

4.2 Sales Agent Agreement

1. A redacted copy of the engagement agreement between the Company and the Sales Agent (the “**Sayer Engagement Agreement**”) is attached as an exhibit to the First Affidavit of Mike Bouvier. The unredacted Sayer Engagement Agreement is attached as **Confidential Appendix “1”**. The relevant financial terms of the Sayer Engagement Agreement are as follows:
 - a) Work Fee: The Sales Agent is entitled to a one-time work fee plus GST (the “**Work Fee**”) payable on the effective date of the Sayer Engagement Agreement;
 - b) Success Fee: Upon closing of the any transaction(s) arising from the SISP, the Company agrees to pay Sayer a success fee based on a percentage of the total consideration achieved from the transaction(s), subject to a minimum and maximum amount (the “**Success Fee**”).
2. Pursuant to the terms of the Sayer Engagement Agreement, the closing of a transaction would result in the Success Fee being earned and payable.
3. The Proposal Trustee recommends that the Court approve the Sayer Engagement Agreement for the following reasons:
 - a) the Sales Agent is a highly qualified sales agency firm and has extensive knowledge of the Canadian oil and natural gas industry;
 - b) in the Proposal Trustee’s view, the Work Fee is reasonable and consistent with the market, and the Success Fee payable to the Sales Agent is commercially reasonable and consistent with Sales Agent fees recently approved by this Court; and
 - c) the Sales Agent is able to launch the SISP on or before December 5, 2024, which will start the SISP in short order and help to reduce the costs and timeline associated with the SISP and the NOI Proceeding.

5.0 Interim Loan⁴

5.1 Interim Facility Term Sheet

1. The Company has also negotiated and entered into a term sheet with the Interim Lender to obtain funding for these NOI Proceedings and to complete the SISP.
2. The Company has selected the Interim Lender to provide the Interim Loan, given their existing status as a lender to the Company and given that the economic terms of the Interim Facility Term Sheet appear reasonable.
3. The significant terms of the Interim Loan are summarized below. A copy of the Interim Facility Term Sheet is attached hereto as **Appendix “A”**.
 - a) **Borrowers**: Blue Sky Resources Ltd. (the “**Borrower**”);
 - b) **Interim Lender**: ACES Canada SPV III ULC;
 - c) **Interim Credit Facility**: a credit facility is available in the maximum aggregate principal amount of \$2.5 million;

⁴ Capitalized terms in this section have the meaning provided to them in the Interim Facility Term Sheet, unless otherwise defined herein.

d) **Advances:** Advances under the Interim Credit Facility shall be made in accordance with the Drawdown Schedule and in such amounts as required pursuant to the Second Cash Flow Statement. Following November 7, 2025, each subsequent Interim Advance cannot exceed the Canadian dollar equivalent of USD\$1 million. A summary of the Drawdown Schedule is as follows:

- i. directly following the date of Court Approval, 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;
- ii. on or following November 7th, 2025, the subsequent Interim Advance requests will be equal to the aggregate Canadian dollar equivalent of a maximum of USD \$1,000,000 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;
- iii. 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 Payment 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.

e) **Maturity Date:** the earlier of:

- i. March 31, 2026;
- ii. the implementation of a proposal within the NOI Proceedings which has been approved by the requisite majorities of the Borrower's creditors and by and order entered by the Court;
- iii. the closing of any sale or investment transaction arising or resulting from the SISP that is, whether by one transaction or multiple, the sale of all or substantially all of the Company's assets;

- iv. the date on which the NOI Proceedings are terminated for any reason;
and
- v. the occurrence of an Event of Default that is not cured within three business days.

The Interim Lender's commitment in respect of the Interim Loan shall expire on the Maturity Date and all amounts outstanding under the Interim Loan including accrued interest and the reasonable fees, costs, and expenses incurred by the Interim Lender (collectively, the "**Recoverable Expenses**") shall be repaid in full on the Maturity Date without the Interim Lender being required to make demand upon the Borrower or to give notice that the Interim Loan has expired and the Recoverable Expenses are due and payable.

- f) **Interest rate:** The prime lending rate of the Alberta Treasury Branches plus 7% per annum⁵, compounded and calculated daily and payable in arrears on the Maturity Date;
- g) **Commitment Fee:** a fee equal to \$100,000 shall be fully earned upon the execution of the Interim Facility Term Sheet and shall be paid from the initial advance issued under the Interim Credit Facility;
- h) **Expenses:** the Borrowers shall pay all reasonable and documented costs and expenses of the Interim Lender, including of its outside counsel, related to or in connection with the NOI proceedings;
- i) **DIP Security:** the Interim Credit Facility owing to the Interim Lender, including the Commitment Fee and the Recoverable Expenses, are to be secured by the Interim Lender's Charge on the Property of the Company. The Interim Lender's Charge is subordinate only to the Administration Charge;
- j) **Conditions:** the material conditions precedent to the Interim Loan include:
 - i. the Court shall have issued the Approval Order, in form and substance satisfactory to the Interim Lender;

⁵ Approximately 11.7% as of October 27, 2025.

- ii. 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;
- iii. the Interim Lender shall have received and approved the Company's Second Cash Flow Forecast; and
- iv. no Event of Default shall have occurred or is reasonably expected to occur as a result of any advance completed under the Interim Credit Facility.

In addition to the conditions above, the following material conditions are required for to be satisfied prior to the Interim Lender making Interim Advances:

- i. 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, and that the Borrower is in compliance with this Interim Financing Term Sheet and the Approval Order;
- ii. 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; and
- iii. no Event of Default shall have occurred or will occur as a result of the requested Interim Advance.

4. The Proposal Trustee considered the following factors with respect to its recommendation on the Interim Loan:

- a) the Company has a critical and immediate need for interim financing to not only continue operations but to address regulatory compliance concerns raised by the Alberta Energy Regulator ("**AER**"). Without access to the Interim Loan, the Company will be unable to maintain operating as a going concern and implement an effective SISP;

- b) KSV believes that approval of the Interim Loan is in the best interests of the Company's stakeholders and will enable it to advance its restructuring process. KSV does not believe that creditors of the Company will be prejudiced as a result of the approval of the Interim Loan – to the contrary, they will benefit from it as it will allow the Company to conduct an effective SISP, which will enhance value by identifying the highest and best transaction value for the Company's stakeholders;
 - c) KSV compared the terms of the Interim Loan to other DIP facilities approved by Canadian courts in restructuring proceedings commenced in 2024 and 2025. The comparison is attached as **Appendix "B"**. Based on KSV's review and analysis, the cost of the proposed Interim Loan is within the range of similar facilities of this size approved by the Court and other Canadian courts in other restructuring proceedings; and
 - d) the Interim Loan is to be provided by the Interim Lender, who is an existing lender of the Company and is supportive of the SISP and the Company's restructuring in the NOI Proceeding.
5. Based on the foregoing, KSV believes that the terms of the Interim Loan are reasonable in the circumstances.

5.2 Interim Lender's Charge

1. The Company is seeking a charge in favour of the Interim Lender to secure all advances under the Interim Loan. KSV is of the view that the Interim Lender's Charge is required as: (i) the Company is in immediate need of liquidity to conduct the SISP and continue these NOI Proceedings; (ii) the terms of the Interim Loan are reasonable for the reasons set out in Section 5.1 of this Second Report; and (iii) the Interim Lender is not prepared to provide further financing without the benefit of the Interim Lender's Charge. The Interim Lender's Charge will be subordinate only to the Administration Charge.

6.0 Sale Transactions

6.1 Tamarack⁶

1. On November 4, 2025, the Company and Tamarack entered into a purchase and sale agreement whereby Tamarack will purchase gross overriding royalty interests on certain oil and gas properties in the Wembley area of Alberta pursuant to the Tamarack Asset Purchase Agreement. Copies of the redacted and unredacted Tamarack Asset Purchase Agreement is attached as an exhibit to the First Affidavit of Mike Bouvier.
2. The key terms and conditions of the Tamarack Asset Purchase Agreement are provided below:
 - **Seller:** Blue Sky
 - **Buyer:** Tamarack Valley Energy
 - **Assets:** Certain interest in the gross overriding royalty and does not include any wells, lands, or petroleum and natural gas rights as more fully described in Schedule 'B'.
 - **Closing:** being 10:00 AM on November 7, 2025 or such other time as may be agreed upon by the parties.

6.2 Spur⁷

3. On November 4, 2025, the Company and Spur entered into a purchase and sale agreement whereby Spur will purchase gross overriding royalty interests on certain oil and gas properties in the Wembley area of Alberta pursuant to the Spur Asset Purchase Agreement. Copies of the redacted and unredacted Spur Asset Purchase Agreement is attached as an exhibit to the First Affidavit of Mike Bouvier.
4. The key terms and conditions of the Spur Asset Purchase Agreement are provided below:
 - **Seller:** Blue Sky

⁶ Capitalized terms in this section have the meaning provided to them in the Tamarack Asset Purchase Agreement, unless otherwise defined herein.

⁷ Capitalized terms in this section have the meaning provided to them in the Spur Asset Purchase Agreement, unless otherwise defined herein.

- **Buyer**: Spur Valley Energy
- **Assets**: the entire right, title, estate and interest of Vendor and shall include, but not necessarily limited to the Lands, the Leases and Royalty Agreements together with all other Miscellaneous Interests appurtenant thereto.
- **Closing**: on November 7, 2025.

6.3 Sale Transaction Recommendations

5. In determining its recommendation to this Court regarding the approval of the Tamarack Asset Purchase Agreement and the Spur Asset Purchase Agreement (collectively the “**Royalty Sales**”), the Proposal Trustee considered whether the transaction met the “Soundair” principles established by this Court from *Royal Bank of Canada v. Soundair Corp. (1991), 4 O.R. (3d) 1 (CA), at para. 16*. The Soundair principles, and the Proposal Trustee’s responding comments, are listed below:

a) *Whether the party made a sufficient effort to obtain the best price and did not act improvidently.*

The parties made best efforts to obtain the best price, a result which is supported by the Royalty Sales Opinion of the Sales Agent (defined below).

b) *The interests of all parties.*

If successful, the Royalty Sales will provide further proceeds to fund the NOI Proceeding and SISF, which will benefit all stakeholders. Additionally, funds will be used to address outstanding AER compliance matters.

c) *The efficacy and integrity of the process by which the party obtained offers.*

The Proposal Trustee supports the Royalty Sales as its structure is practical, cost-effective, and consistent with other similar transactions, while providing economic benefit to the Company’s NOI Proceeding and, thereby, its stakeholders.

d) *Whether the working out of the process was unfair.*

There is no indication that the process leading to the Royalty Sales was unfair, and the Proposal Trustee is not aware of any creditor objections. The Proposal Trustee is of the view the Company continues to act in good faith with respect to all of the Company’s stakeholders.

6. The Proposal Trustee also considered whether the Royalty Sales met the factors enumerated in paragraph 65.13(4) of the BIA with respect to the sale of assets in the NOI Proceeding, and the Proposal Trustee’s comments with respect to the same are below:

- a) *65.13(4)(a) - Whether the process leading to the proposed sale or disposition was reasonable in the circumstances.*

The process leading to the sale is reasonable in these unique circumstances, the details of which are included in the Royalty Sales Opinion of the Sales Agent.

- b) *65.13(4)(b) – Whether the trustee approved the process leading to the proposed sale or disposition.*

The Proposal Trustee is of the view that the process was reasonable based on the Royalty Sales Opinion of the Sales Agent, the unique circumstances and the necessity to conduct a sale to assist in funding the Company's NOI Proceedings.

- c) *65.13(4)(c) – Whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under bankruptcy.*

This Second Report sets out the position that Royalty Sales would be more beneficial for the Company's stakeholders as it will enable the Company to continue operating as a going concern while completing a SISP, the conclusion of which will contribute further value to the Company's stakeholders.

- d) *65.13(4)(d) – The extent to which the creditors were consulted.*

The Proposal Trustee understands that the AER and the Interim Lender were made aware of the Tamarack Asset Purchase Agree Royalty Sales and have not expressed any opposition to the Company entering into the transaction.

- e) *65.13(4)(e) – The effects of the proposed sale or disposition on the creditors and other interested parties.*

The Royalty Sales will benefit the Company's stakeholders through providing the necessary funding to continue operating as a going concern and completing the SISP. The royalty interests are currently not generating any revenue for the Company and any future revenue would depend on whether the wells were drilled and oil and gas was produced.

- f) 65.13(4)(f) – *Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.*

The Sales Agent has delivered a letter demonstrating its supportive views of the Royalty Sales and the consideration received (the “**Royalty Sales Opinion of the Sales Agent**”). The Royalty Sales Opinion of the Sales Agent is attached as confidential exhibit to the Second Affidavit of Mike Bouvier.

7. Based on the foregoing, the Proposal Trustee recommends this Court approve the Royalty Sales for the benefit of funding this NOI Proceeding.

7.0 Sealing

1. The Company is requesting a sealing order in respect of the unredacted Sayer Engagement Agreement, the unredacted Tamarack Asset Purchase Agreement and the Spur Asset Purchase Agreement and the unredacted Royalty Sales Opinion of the Sales Agent (the “**Sealed Documents**”). The Proposal Trustee believes it is appropriate to seal the Sealed Documents until further order of the Court, as the sealing of the Sealed Documents will protect the Sales Agent’s competitive advantage and thereby its commercial interest in assisting with the SISP.
2. Based on the foregoing, the Proposal Trustee does not believe that any stakeholder will be prejudiced if the information in the Sealed Documents are sealed.
3. The salutary effects of sealing the Sealed Documents from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Proposal Trustee is of the view that sealing the Sealed Documents is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25 and such relief has been granted in other proceedings. Accordingly, the Proposal Trustee believes the proposed sealing order is appropriate in the circumstances.

8.0 Cash Flow Statement

1. Pursuant to subsection 50.4(2)(a) of the BIA, the Company prepared the First Cash Flow Statement for the period ending December 28, 2025 (the “**Period**”). The First Cash Flow Statement, together with Management’s Report on the First Cash Flow Statement as required by subsection 50.4(2)(c) of the BIA, are collectively attached hereto as **Appendix “C”**.
2. The First 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.

8.1 Performance Against the First 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. The Company has remained current in respect of its obligations that have arisen since the NOI Filing Date.

3. A review process was established with the Company to review weekly cash variances. A comparison of the Company's receipts and disbursements to the First Cash Flow Statement for the period from the NOI Filing Date to October 26, 2025 (the "**Reporting Period**") is as follows:

| Reporting Period (\$CAD) | Actual | Cash Flow Statement | Favourable / (Unfavourable) Variance |
|--------------------------|-------------|---------------------|--------------------------------------|
| Opening Cash Balances | 27,189 | 27,189 | - |
| Receipts | 3,053,308 | 3,666,194 | (612,885) |
| Operating Disbursements | (1,009,544) | (1,900,206) | 890,662 |
| Other Disbursements | (593,482) | (701,933) | 108,450 |
| Net Cash Flow | 1,450,282 | 1,064,055 | 386,227 |
| Closing cash balance | 1,477,471 | 1,091,244 | |

Proposal Trustee's Comments

4. For the Reporting Period, cash receipts were lower than forecast due to the Company's production of its licensed assets not ramping up as significantly as expected and pricing remaining depressed for the Company's natural gas products. Operating and non-operating disbursements were lower due primarily to over-forecasting and timing of certain payments. Overall, the net cash flow over the Reporting Period results in a favourable variance of approximately \$386,000.
5. The Proposal Trustee has reviewed the variances with the Company and concluded the variances are mainly attributable to the Company's reduced production output and disbursement timing differences.

8.2 The Second Cash Flow Statement

1. The Company has prepared a Second Cash Flow Statement which provides updates to the reporting period, adjustments to the timing of certain payments, the inclusion of advances available under the Interim Loan, and a reduction in forecasted November revenues to reflect the Company's continued reduced production output.
2. The Second Cash Flow Statement and the Company's statutory report on the cash flow pursuant to subsection 50.4(2)(b) of the BIA is attached as **Appendix "D"**.

3. The Second Cash Flow Statement reflects that the Company will only have sufficient liquidity for the duration of the Stay of Proceedings if provided access to the Interim Loan and if the Company's current oil and gas production levels are maintained.
4. Based on the Proposal Trustee's review of the Second Cash Flow Statement, the assumptions contained therein appear reasonable. The Proposal Trustee's statutory report on the Second Cash Flow Statement is attached as **Appendix "E"**.

9.0 Company's Request for a Stay Extension

1. Pursuant to section 50.4(9) of the BIA, the Company is requesting an extension of the Stay of Proceedings until December 24, 2025 to allow further time for the Company to launch the SISP.
2. The Proposal Trustee supports the request for the extension of the Stay of Proceedings and believes that it is appropriate in the circumstances for the following reasons:
 - a) Since the First Report, the Proposal Trustee has observed that the Company is acting, and continues to act, in good faith and with due diligence;
 - b) the Proposal Trustee does not believe that any creditor will be materially prejudiced by the requested extension of the Stay of Proceedings;
 - c) the extension of the Stay of Proceedings will provide the Company with the time needed to launch the SISP;
 - d) neither the Company nor the Proposal Trustee is aware of any party opposed to an extension of the Stay of Proceedings; and
 - e) the Second Cash Flow Statement reflects that the Company is projected to have sufficient liquidity to fund their operations and the costs of these NOI Proceedings during the proposed extension of the Stay of Proceedings, provided it has access to the Interim Loan.

10.0 Activities of the Company and Proposal Trustee

10.1 Notice Pursuant to Section 50.4(6)

1. As discussed in the First Report, following the Filing Date, the Proposal Trustee worked to issue notice of these proceedings to all known creditors in accordance with Section 50.4(6) of the BIA. At the time of the First Report, the Proposal Trustee was not able to deliver notice of these proceedings by mail due to the no-notice strike issued by the Canadian Union of Postal Workers (“**CUPW**”). In response, the Proposal Trustee and the Company worked to obtain as many stakeholder emails as possible to ensure notice of these proceedings was received by a majority of the Company’s creditors within the timelines required under Section 50.4(6) of the BIA. Notwithstanding these efforts, there remained a portion of the Company’s creditors who did not receive notice due to these strike actions.
2. Since the First Report, CUPW shifted their strike action to rotating regional strikes, allowing the Proposal Trustee to mail notice to those creditors who did not receive notice at the outset of these proceedings. As of October 23, 2025, the Proposal Trustee has now completed delivering notice of these proceedings to the known creditor’s via either mail or electronic transmission.

10.2 Activities of the Proposal Trustee

1. Since the First Report, the Proposal Trustee has performed the following key activities:
 - a) assisting the Company with its communications to both internal and external stakeholders;
 - b) attending meetings with the Company, its legal counsel and AER;
 - c) reviewing various correspondence from Alberta Energy and the Company’s working interest partners with respect to the payment of royalty arrears;
 - d) delivered notices pursuant to section 50.4(6) of the BIA to remaining known creditors of the Company as discussed above;
 - e) monitoring the affairs of the Company’s business including reviewing financial information with management;

- f) corresponding with parties involved in pre-filing purchase agreements regarding outstanding license transfers;
- g) corresponding and holding numerous discussions with management, Bennett Jones and DLA with respect to general filing matters;
- h) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders;
- i) working with the Company, DLA and Sayer to develop the SISP procedures;
- j) reviewing the Interim Facility Term Sheet;
- k) responding to calls and emails from creditors, suppliers, landowners, and other stakeholders;
- l) assisting the Company in preparing the Second Cash Flow Statement;
- m) maintaining the Case Website for these NOI Proceedings; and
- n) preparing this Second Report.

10.3 Activities of the Company

1. The Proposal Trustee has observed certain key activities of the Company since the First Report as follows:
 - a) communicating with various stakeholders and creditors regarding the NOI Proceedings, in consultation with the Proposal Trustee;
 - b) attending a meeting at the request of the AER and responding to information requests;
 - c) reviewing various alternatives to Interim Financing which includes asset sales and cancellation of the take-in-kind arrangements with Anvil to generate cash flow;
 - d) negotiating royalty sales to provide funds to advance the restructuring process;
 - e) making certain staffing reductions at the Company's head office to reduce overhead costs;

- f) communicating with the BCER with respect to license transfers;
- g) negotiating the terms of the Interim Facility Term Sheet;
- h) negotiating the Tamarack Asset Purchase Agreement and the Spur Asset Purchase Agreement;
- i) negotiating certain purchase and sale agreements for the sale of certain royalty interests to raise funds for the benefit of these NOI Proceedings;
- j) negotiating the terms of the Sales Agent engagement;
- k) working with the Proposal Trustee, DLA and Sayer to develop the SISP procedures;
- l) with the assistance of the Proposal Trustee, responding to various questions by vendors;
- m) corresponding with DLA and the Proposal Trustee;
- n) communicating on an ongoing basis with certain creditors and/or their advisors; and
- o) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements.

11.0 Other Matters

1. The Proposal Trustee understands that Alberta Energy has issued a Royalty Default Letter to working interest partners with respect to payment of royalty arrears associated with the Company. Our understanding is that one of the working interest partners, 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. We currently understand that CNRL proposed a litigation schedule with a Court application scheduled for December 16, 2025, however this application has been adjourned and will be rebooked in January 2026 allow the Alberta Energy time to retain its own external counsel in the respect of this matter.

2. The Proposal Trustee's legal counsel has requested various security documents from Anvil with respect to its security opinion on the validity and enforceability of the security held. Certain documents have been received and others remains outstanding. The Proposal Trustee anticipates further reporting on this matter in a subsequent Court report once it can review all of the documentation related to Anvil's security.

12.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court grant the relief sought by the Company.

* * *

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”

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: B
Name: Mike Bouvier
Title: Interim President

I have authority to bind the Corporation.

Appendix “B”



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|---|---|-----------------|-----------------|-----------------|------------------|-----------------------|-------------------|---|--|-------|
| AMCO Farms Inc. and AMCO Produce Inc. | RBC | CCAA | PwC | August 22, 2025 | Ontario | Agriculture | 4.10 | Commitment fee of 3% | 13.00% | |
| Bucephalus Stables Corp. o/a Indie Alehouse Brewing Co. | 1001279208 Ontario Ltd. | NOI | Fuller Landau | July 7, 2025 | Ontario | Food & Accommodation | 0.20 | - | Prime plus 4% | |
| QM GP Inc. | WeShall Investments Inc. | CCAA | A&M | July 29, 2025 | Ontario | Construction | 14.00 | Commitment fee of 1% | 14.00% | |
| ATTAbotics | EDC | NOI | Richter | July 2, 2025 | Ontario | Technology | 1.50 | 3% | Prime plus 10% | |
| Coast Automotive Group et al. | BMO | CCAA | BDO | July 16, 2025 | Alberta | Automotive | 2.50 | - | Prime plus 4.5% | |
| Oak and Fort Corp. et al. | Klaus Lam, Bo Ra Kam, Min-Seon Scott Park, Bear and Otter Holdings Ltd., and Min Kang | NOI / CCAA | KSV | June 3, 2025 | British Columbia | Retail | 2.50 | Commitment fee equal to the lesser of \$50,000 or 2.0%; exit fee equal to the lesser of \$50,000 or 2.0% | 15% | |
| Sinobec Group Inc. | A syndicate of lenders including BMO, Laurentian Bank, BDC and RBC | CCAA | PwC | May 26, 2025 | Quebec | Distribution | US\$5.7 | US\$150,000 | 5.00% | |
| The Second Cup Coffee Company Inc. | Arbat Capital Group Ltd. | CCAA | Grant Thornton | May 22, 2025 | Ontario | Food & Accommodation | 0.20 | 4,000 (equal to 2%) | 9% | |
| Mercy Falls BC Inc. | Nuts & Bolts Productions, LLC | CCAA | MNP | May 16, 2025 | British Columbia | Manufacturing | 0.50 | - | 10.00% | |
| STS Renewables Ltd. et al. | BNS | CCAA | PwC | May 15, 2025 | Ontario | Professional Services | 2.90 | 3.50% | Prime plus 5% (9.95%) | |
| Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc., and Hakim Optical Worldwide Lenses Inc. | 1001112855 Ontario Inc. | CCAA | KSV | May 15, 2025 | Ontario | Manufacturing | 2.80 | Commitment fee of 3.5% of the Facility Amount | 10.90% | |
| Li-Cycle Holdings Corp. et al. | Glencore International AG | CCAA | A&M | May 14, 2025 | Ontario | Cleantech | US\$10.5 | - | 11.30% | |
| Shaw-Almex Industries Limited and Shaw Almex Fusion, LLC | RBC | CCAA | FTI | May 13, 2025 | Ontario | Technology | 1.00 | Commitment fee of 2% of the Maximum Loan Amount (being \$20,000) | 12.00% | |
| Enerkem Inc. | Repsol Quimica S.A. | CCAA | Deloitte | May 12, 2025 | Quebec | Cleantech | 12.50 | - | 15.00% | |
| Asbestos Corporation Limited | CERTAIN UNDERWRITERS AT LLOYD'S et al. | CCAA | Raymond Chabot | May 14, 2025 | Quebec | Mining | USD 20 | - | Prime plus 1% | |
| Mobi724 Global Solutions Inc. | A related party | NOI | Richter | April 22, 2025 | Quebec | Technology | 1.10 | - | 15%, 12% and 22%, for each respective distribution | |
| Mizrahi Development Group (The One) Inc. | KEB Hana Bank as trustee of IGIS Global Private Placement Real Estate Fund No. 530 | CCAA | A&M | April 22, 2025 | Ontario | Construction | 615.00 | - | 4.50% | |
| Earth Boring Co. Limited, Yarbridge Holdings Inc., Troian Investments Ltd., and Yarfield Services Limited | BMO | CCAA | BDO | April 17, 2025 | Ontario | Construction | 5.50 | Commitment fee of \$100,000, representing 1.8% of the maximum amount drawable on the DIP Facility; standby fee of 0.25% of the unused portion of the DIP Facility | BMO Prime plus 4.5% | |
| Mernova Medicinal Inc. and Creso Canada Limited | La Plata Capital | CCAA | Grant Thornton | April 16, 2025 | Nova Scotia | Cannabis | 0.50 | - | 12.00% | |
| Canadian Mental Health Association Vancouver-Fraser Branch | Canadian Mental Health Association British Columbia | NOI | MNP | April 8, 2025 | British Columbia | Healthcare | 0.50 | - | 8.00% | |
| Ecoation Innovative Solutions Inc. | 1001199137 Ontario Limited | NOI | KPMG | April 8, 2025 | British Columbia | Agriculture | 1.00 | Commitment fee of 2% (\$20,000) | 12.00% | |
| Synaptive Medical Inc. | Export Development Canada | CCAA | Richter | March 19, 2025 | Ontario | Technology | 7.00 | Exit fee of \$350,000 | 15.00% | |
| Pelican International Inc., Pelican US Topco LLC, Confluence Outdoor Inc. | NBC, BMO, Desjardins, TD Bank | CCAA | FTI | March 19, 2025 | Quebec | Manufacturing | 4.50 | Commitment fee of \$20,000 | 12.00% | |
| World Wide Carriers Ltd. et al | BMO | CCAA | B. Riley Farber | March 19, 2025 | Ontario | Transportation | 0.85 | Commitment fee of \$25,000 | Prime plus 5% | |
| Petromont Inc. | Ethylec Inc. and Dow Chemical Canada ULC | CCAA | Deloitte | March 11, 2025 | Quebec | Oil & Gas | 3.10 | - | | |



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|--|--|-----------------|-----------------|-------------------|------------------|--------------------|---|---|---|-------|
| Hudson's Bay Company ULC | Restore Capital | CCAA | A&M | March 7, 2025 | Ontario | Retail | 16.00 | Exit fee of 3% | Term CORRA plus 11.5% | |
| Nemori Farms Ltd. | RBC | CCAA | Grant Thornton | March 6, 2025 | Newfoundland | Agriculture | 0.60 | Commitment fee of \$15,000 | Prime plus 6% | |
| Joriki Inc. | BNS as agent | CCAA | A&M | January 28, 2025 | Ontario | Food Manufacturing | 1.20 | Upfront fee of \$30,000 | 12.50% | |
| JBT Transport Inc. et al. | Randy Bowman | NOI / CCAA | Dodick Landau | January 24, 2025 | Ontario | Transportation | 0.25 | | 10% | |
| 2744364 Ontario Limited (o/a True North Cannabis Co.), 2668905 Ontario Inc. (o/a Bamboo Blaze), AND 2767888 Ontario Inc. | The Vancor Group | CCAA | Deloitte | January 24, 2025 | Ontario | Cannabis | 2.00 | Commitment fee of 2% (\$40,000) | 12% | |
| Royal Helium Ltd. (TSX:HRL) et al. | Companies and Energy & Specialty Gases DIP, LLC | NOI | Grant Thornton | January 17, 2025 | Ontario | Oil and Gas | 1.50 | Commitment fee of 1.5% | 10% | |
| Westphalia Dev. Corp. | Walton Global Investments Ltd. | CCAA | FTI | January 14, 2025 | Alberta | Real Estate | 0.75 | | RBC prime rate plus 4% | |
| KMC Mining | ATB Financial as agent | NOI/CCAA | FTI | January 10, 2025 | Alberta | Mining | 6.00 | Closing fee of \$300,000; agency fee of \$40,000; undrawn amount fee of 2% | Prime plus 5% | |
| Comark Holdings Inc. | CIBC | CCAA | A&M | January 7, 2025 | Ontario | Retail | 18.00 | Commitment fee of 1.5% | 10% | |
| Microb Resources Inc. o/a Salt Spring Coffee | Maynbridge Capital | NOI | KPMG | January 2, 2025 | British Columbia | Food Manufacturing | 0.25 | Standby fee of 2.5% | 14% | |
| Brands International Corporation | AMG Global Holdings ULC | NOI | KPMG | December 24, 2024 | Ontario | Manufacturing | 0.50 | Commitment fee of 2% (\$10,000) | 12% | |
| Industries RAD Inc. and Rocky Mountain Bikes Inc. | Wells Fargo | CCAA | EY | December 19, 2024 | Quebec | Manufacturing | The lower of \$6 million and \$15 million in excess of the borrowing base | Closing fee of \$100,000; unused line fee of 0.25% times the result of (i) the amount of the Cap, less (ii) the average daily principal amount of the outstanding advances plus the outstanding Existing Obligations during the immediate preceding month | Canadian dollar advances: CORRA plus 5%; US dollar advances: SOFR plus 5% | |
| The Lion Electric Company | A syndicate of lenders including National Bank of Canada, Bank of Montreal and Federation des Caisses Desjardins du Quebec | CCAA | Deloitte | December 18, 2024 | Quebec | Manufacturing | 10.00 | 2.4% of the commitments as and when made | Prime plus 7% | |
| Pluribus Technologies Inc. et al. | Evergreen Gap Debt GP Inc., as Agent for itself and on behalf of Evergreen Gap Debt LP | CCAA | B. Riley Farber | December 17, 2024 | Ontario | Technology | 2.50 | Commitment fee of 3.5% | 18% | |
| UGC Canada Holdings Inc. dba Frank & Oak | UGC Holdings | NOI | PwC | December 16, 2024 | Quebec | Retail | 4.00 | Engagement fee of 2.5% for each advance | Prime plus 7% | |
| Elna Group | National Bank of Canada | CCAA | Raymond Chabot | December 11, 2024 | Quebec | Healthcare | 5.00 | Term sheet filed under seal | Term sheet filed under seal | |
| Cleo Energy Corp. | uCapital - uLoan Solutions Inc. | NOI | A&M | December 8, 2024 | Alberta | Oil & Gas | 0.75 | Termination fee of 50,000 | 3 | |



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|---|--|-----------------|----------------|-------------------|------------------|----------------------|-------------------|---|---|-------|
| San Industries Ltd. et al. | | CCAA | Deloitte | November 29, 2024 | British Columbia | Manufacturing | US30 | Commitment fee determined in accordance with a formula in the agreement | ABR Borrowings bear interest at the Alternate Base Rate plus the Applicable Margin. Term SOFR Borrowings bear interest at Adjusted Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Margin. | |
| Sperling GP Ltd., Sperling Limited Partnership and 1112849 B.C. Ltd. | Peterson Investment Group Inc. | CCAA | Deloitte | November 28, 2024 | British Columbia | Real Estate | 16.80 | | | |
| Felix Payment Systems Ltd. | Jake Boxer, the CA Mordy Legacy Trust, and PEL Chartered Professional Accountants Inc. | CCAA | A&M | November 25, 2024 | British Columbia | Technology | 2.10 | Commitment fee of 2% (\$50,000) | 18% | |
| DYKMAN CATTLE CO. LTD. AND NECHAKO RIVER QUALITY HAY LTD | BNS | CCAA | PwC | November 21, 2024 | British Columbia | Agriculture | 1.50 | 20,000 | 10% | |
| 9139249 Canada Inc., Bus.com US Holding Inc., Bus.com Leasing LLC, Bus.com US LLC, 9139249 Canada Inc. (California) | EDC | CCAA / NOI | PwC | November 21, 2024 | Quebec | Transportation | 0.85 | 2.5% of advances | Prime plus 7% | |
| Central City Brewers & Distillers Ltd. | Canadian Western Bank | CCAA | PwC | November 21, 2024 | British Columbia | Food & Accommodation | 2.50 | Commitment fee of \$75,000 | Prime plus 1.05% | |
| OMNI Conversion Technologies Inc. | Sierra Acquisition Holdings | NOI | Grant Thornton | November 19, 2024 | Ontario | Technology | 3.00 | Standby fee calculated in accordance with a formula | 10% | |
| A2A Capital Services Canada Inc. Et Al | Pillar Capital Corp. | CCAA | A&M | November 14, 2024 | Alberta | Real Estate | 2.00 | Facility fee of 3% to be deducted from each advance. Monthly monitoring fee of \$500. Due diligence fee of \$7,500. | 15% | |
| Sandvine Corporation et al. | Seaport Loan Products LLC and Acquiom Agency Services LLC as co-administrative agents | CCAA | KSV | November 7, 2024 | Ontario | Technology | 30.00 | Commitment Fee: 1% per annum on the unused portion of the DIP Facility | SOFR + 9% | |
| Noya Holdings Inc. & Noya Cannabis Inc. | Lending Stream Inc. | CCAA | BDO | November 6, 2024 | Ontario | Cannabis | 0.40 | Commitment fee of 6.25% (\$25,000) | 12% | |
| Innovere Medical Inc. | Hawk Capital (Canada) Inc. | CCAA | EY | November 5, 2024 | Ontario | Healthcare | 0.90 | Commitment fee of 4% (\$36,000) | 14% | |
| Chesswood Group Ltd. et al. | RBC and other pre-filing lenders | CCAA | FTI | October 29, 2024 | Ontario | Financial Services | US65 | Upfront fee of U.S.\$420,000; Annual administrative fee of Cdn.\$30,000 | Prime plus plus an applicable margin of 400 bps per annum | |
| Earth Alive Clean Technologies Inc. (TSXV:EAC) | Nikolaus Sofronis | NOI | Raymond Chabot | October 22, 2024 | Quebec | Cleantech | 1.72 | | 18.00% | |
| Mizrahi Development Group (1451 Wellington) Inc. | TCC Mortgage Holdings Inc. | CCAA | MNP | October 15, 2024 | Ontario | Real Estate | 25.00 | Commitment Fee of 1.5% (\$375,000) | 10.00% | |
| Erikson National Energy Inc. | Third Eye Asset Management Inc. | NOI | KSV | October 1, 2024 | Alberta | Oil & Gas | 0.25 | Commitment fee of \$5,000 | 12.00% | |
| Valeo Pharma | Sagard Healthcare Partners (Delaware) LP | CCAA | EY | October 1, 2024 | Quebec | Healthcare | US5 | | 16.00% | |



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|---|--------------------------------------|-----------------|----------------|--------------------|------------------|--------------------|-------------------|--|------------------------------|-------|
| Erikson National Energy Inc. | Third Eye Capital | NOI | KSV | October 1, 2024 | Alberta | Oil & Gas | 0.25 | Up front fee of 2% (\$5,000) | 12.00% | |
| Motryx Inc. | Aerocom GmbH & Co. | NOI | BDO | September 17, 2024 | Nova Scotia | Healthcare | 0.36 | | 10.00% | |
| Tokyo Smoke | TS Investments Corp. | CCAA | A&M | August 28, 2024 | Ontario | Cannabis | 8.00 | 1% commitment fee (\$80,000) | 13.00% | |
| BC Tree Fruits Cooperative, BC Tree Fruits Industries, Growers Supply Company Limited | CIBC | CCAA | A&M | August 13, 2024 | British Columbia | Food Manufacturing | 4.05 | | 9.95% | |
| Wholly Veggie | Windermere Investment Corp. | NOI | PwC | August 18, 2024 | Ontario | Food Manufacturing | 0.35 | 1% extension fee if DIP is extended past a certain date | 15% | |
| Indian Head Consumers Co-operative Society Ltd. | 95748 Newfoundland and Labrador Ltd. | NOI | Grant Thornton | August 16, 2024 | Newfoundland | Retail | 0.18 | Committment fee of 1.5% | 15.00% | |
| Freedom Cannabis Inc. | JL Legacy Ltd. | CCAA | EY | August 8, 2024 | Alberta | Cannabis | 3.00 | 2% commitment fee (\$60,000) | 15.00% | |
| Galaxie Brands Corporation | The Vancor Group Inc. | CCAA | KPMG | August 6, 2024 | Ontario | Cannabis | 1.65 | 2% commitment fee | 14.00% | |
| VBI Vaccines Inc. et al. | K2 HealthVentures LLC | CCAA | EY | July 30, 2024 | British Columbia | Healthcare | 2.5 | Commitment fee of 2% (\$0,000) | 17.50% | |
| Loop Energy Inc. (TSX:LPEN) | Teralta Hydrogen Solutions | NOI | Crowe Mackay | July 17, 2024 | British Columbia | Oil and Gas | 0.60 | Closing fee of 10% | 11% | |
| Delta 9 Cannabis Inc. et al. | FIKA Herbal Goods | CCAA | A&M | July 15, 2024 | Saskatchewan | Cannabis | 16 | | TD Bank's prime rate plus 3% | |
| Taiga Motors Corporation et al. | EDC | CCAA | Deloitte | July 10, 2024 | Quebec | Manufacturing | 4.4 | First commitment fee of 2.4% of the Pre-Phase 1 Milestone Facility Amount (\$2,100,000) payable on the initial DIP Advance. Second commitment fee of 2.4% of the Post-Phase 1 Milestone Facility Amount (\$2,300,000) payable on the date of the first DIP Advance that takes place after August 16, 2024. | Prime plus 7 | |
| good natured Products Inc. et al. | Wells Fargo | CCAA | A&M | June 28, 2024 | British Columbia | Manufacturing | | amendment to the existing facility, providing increased loan availability for the duration of the stay period | \$100,000 fee | |



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|--|--|-----------------|-------------------------|----------------|------------------|----------------------------|-------------------------------|--|--|-------|
| National Traffic Safety Management Inc. | FundThrough Inc. | NOI | TDB | April 5, 2024 | Ontario | Technology | 2 | - 0.10% daily fee multiplied by the face value of the invoices due and payable at the invoice due date. - Default fee of 0.1315% daily fee after the invoice due date. - Facility fee equal to \$20,000, which shall be fully earned upon Court approval of the FundThrough Term Sheet. - Upfront Fee of the greater of 1% of the initial advance or \$10,000 due prior to funding. | | |
| Atlas Global Brands Inc. et al. | Shalcor Management Inc. | CCAA | EY | June 20, 2024 | Ontario | Cannabis | 7 | Commitment fee of 3% (\$210,000) | 13.00% | |
| Karwood Estates Inc. and Gregg Construction Limited | Pillar Capital Corp. | CCAA | Grant Thornton | June 5, 2024 | Newfoundland | Real Estate / Construction | 2.35 | Facility fee of 3%, due diligence fee of \$5,000 | 13.50% | |
| Cloud Diagnostics Canada ULC | 10 individual lenders | NOI | Crowe Mackay | June 5, 2024 | British Columbia | Technology | 0.7 | Closing fee of 84,000 | 11.00% | |
| Altek Industrial Supply Ltd. et al. | CIBC | CCAA | PwC | May 24, 2024 | Alberta | Distribution | 2 | | 9.95% | |
| Eastern Meat Solutions Inc. et al. | BMO | CCAA | Deloitte | May 17, 2024 | Ontario | Food Manufacturing | 3.35 | 2% commitment fee (\$67,000); 2% standby fee on undrawn amounts | 12.00% | |
| IntelGenx Technologies Corp. and IntelGenx Corp. | atal Life Sciences AG | CCAA | EY | May 17, 2024 | Quebec | Healthcare | 8 | | Prime rate of NBC of 7.2% | |
| Clarkson Road Holdings | 1000861289 Ontario Inc. | CCAA | PwC | May 3, 2024 | Ontario | Real Estate | 5.0 | Commitment fee of 2% | 12.00% | |
| Cannmart Labs Inc. | Lifeist Wellness Inc. | CCAA | msi Spergel Inc. (GRIP) | May 2, 2024 | Ontario | Cannabis | 0.4 | Commitment fee of 8,000 | 10.00% | |
| Teal Jones Group | Wells Fargo et al. | CCAA | PwC | April 25, 2024 | British Columbia | Lumber | orrowing base plus 56 million | US300,000 | 9.45% | |
| Ted Baker Canada Inc. et al. | CIBC | CCAA | A&M | April 24, 2024 | Ontario | Retail | 7 | US300,000 | 9.95% per annum for Advances denominated in Canadian Dollars and 11.75% per annum for Advances denominated in US Dollars | |
| Enerstar Petroleum Corp. | Luxur Resources Inc. | NOI | Grant Thornton | March 25, 2024 | Alberta | Oil & Gas | 0.4 | | 12% | |
| Heritage Cannabis Holding Corp. | BJK Holdings Ltd. | CCAA | KPMG | April 2, 2024 | Ontario | Cannabis | 1.5 | | 12.50% | |
| Pride Group Holdings Inc. | RBC as agent | CCAA | EY | March 27, 2024 | Ontario | Transportation | 30 | Commitment fee of \$500,000 | 12.50% | |
| Saltwire Network Inc., The Halifax Herald Limited et al. | Fiera Private Debt Fund GP Inc. | CCAA | KSV | March 13, 2024 | Nova Scotia | Media | 1.5 | \$5,000 commitment fee | 8.00% | |
| Hempsana Inc. | Movengo Developments Inc. | NOI | B. Riley Farber | March 11, 2024 | Ontario | Cannabis | 0.5 | 7% commitment fee | 8.00% | |
| Skylink Express Inc. | Momentum Decisive Solutions Canada Inc | CCAA | KSV | March 11, 2024 | Ontario | Logistics | 2.5 | | 15.00% | |



Approved Debtor-in-Possession Financing Facilities for Canadian Debtors
Current as at October 1, 2025

| Debtor | Lender | Proceeding Type | Trustee | Filing Date | Jurisdiction | Industry | Commitment (\$MM) | Fees | Interest Rate | Notes |
|--|--|-----------------|----------------|-------------------|------------------|-----------------------|-----------------------------------|---|---|-------|
| Anfis Enterprises Inc. and 9407-5173 Québec Inc. | Dicepiza S de RL de CV | CCAA | Raymond Chabot | March 12, 2024 | Ontario | Real Estate | 0.1 | | Prime plus 5% | |
| Go-For Industries Inc. | Trinity Capital Inc. | NOI | KSV | March 20, 2024 | Ontario | Transportation | 0.75 | Commitment fee of 2% | 17.30% | |
| Canadian Overseas Petroleum Limited et al. | Summit Partners Credit Fund II, L.P., Summit Investors Credit III, LLC, and Summit Investors Credit III (UK), L.P. | CCAA | KSV | March 8, 2024 | Alberta | Oil & Gas | US11 | commitment fee equal to 0.75% of the commitments and an exit fee equal to 0.75% of the commitments | Secured Overnight Financing Rate plus 5% | |
| BZAM Ltd. | Cortland Credit Lending Corporation as agent | CCAA | KSV | February 28, 2024 | British Columbia | Cannabis | Facility Limit plus \$7.0 million | Commitment fee of 98,000 | the the greater of: (A) the TD Prime Rate plus 8.05% per annum; and (B) 12% per annum | |
| Livewire Communications Inc. | 10Point1 Inc. and 1281000 Ontario Limited | NOI | Albert Gelman | February 2, 2024 | Ontario | Professional Services | 0.5 | Commitment fee of 10,000 | 8.00% | |
| Bifano Consolidated Inc. | BNS | CCAA | A&M | February 28, 2024 | British Columbia | Agriculture | 1.5 | Commitment fee of 20,000 | 15.00% | |
| Collision Kings Group Inc. et al. | TD Bank | CCAA | FTI | February 7, 2024 | Manitoba | Automotive | 1.125 | Commitment fee of 25,000 | Prime plus 4.8% (currently 12%) | |
| Lynx Air Holdings Corporation and 1263343 Alberta Inc., DBA Lynx Air | Indigo Northern Ventures LP | CCAA | FTI | February 22, 2024 | Alberta | Transportation | TBD | Up front fee of 3% of the maximum amount | 20.00% | |
| Wayne Patrick Consumer Products Ltd. and WPCP Ltd. | 1000592191 Ontario Inc. | CCAA | Grant Thornton | February 20, 2024 | Ontario | Cannabis | 0.95 | | 12 | |
| Balboa Inc. et al. | Harbour Mortgage Corp. | CCAA | KSV | January 23, 2024 | Ontario | Cannabis | 12 | Commitment fee of \$240,000.00; extension fee of \$120,000.00 | the greater of Royal Bank prime rate + 4.80% or 12.00% per annum | |
| SimEx Inc., Iwerks Entertainment, Inc., and SimEx-Iwerks Myrtle Beach, LLC | RBC | CCAA | Deloitte | January 19, 2024 | Ontario | Entertainment | US0.6 | | RBUSBR + 2% | |
| Fresh City Farms Inc. and Mama Earth Organics Inc. | 1000691958 Ontario Inc. and Bennett Church Hill Capital Inc. | CCAA | PwC | January 18, 2024 | Ontario | Retail | 2.5 | Commitment fee of 3.5% due on maturity | 12.00% | |
| 2039882 Ontario Limited o/a Shelter Cove | CC 108 Lender Limited Partnership by its general partner REL-BC Holdings Ltd. | CCAA | PwC | January 23, 2024 | Ontario | Other | 2.5 | 25,000 initial funding fee to be deducted from the initial advance and 50,000 to be deducted from each advance at a rate equal to 2,000 on each 100,000 until the advance fee is paid in full, with any remaining balance payable on maturity | 12.00% | |
| Black Press Ltd. et al. | Canso Investment Counsel Ltd. | CCAA | KSV | January 15, 2024 | British Columbia | Media | 5.5 | | 10.00% | |
| Safari Flower Company | NE SPEC II LP | CCAA | EY | January 12, 2024 | Ontario | Cannabis | 1 | Commitment fee of \$30,000 | 14.00% | |
| Humble & Fume Inc. | 1000760498 Ontario Inc. | CCAA | Deloitte | January 5, 2024 | Ontario | Cannabis | US2.5 | | 12.00% | |
| Athabasca Minerals Inc. | JMAC Energy Services LLC | NOI | KSV | November 13, 2023 | Alberta | Mining | 2.85 | | 18.00% | |
| Donmar Properties Ltd. and 10058984 Manitoba Ltd. | y Morcourt Properties Ltd. | CCAA | EY | April 10, 2023 | Manitoba | Real Estate | 0.755 | | 8.00% | |
| The Good Fat Co. | 1000747000 Ontario Inc. | NOI | Richter | January 2, 2024 | Ontario | Food & Accommodation | 0.2 | | 7.20% | |
| Myra Falls Mine Ltd. | Trafigura US Inc. | CCAA | FTI | December 18, 2023 | British Columbia | Mining | 21 | Fee of \$210,000, representing 1.00% | 11.00% | |
| Candesto Enterprises Corp. et al. | Durisol Ltd. | CCAA | A&M | December 20, 2023 | Alberta | Professional Services | 1.3 | | 8.50% | |

Appendix “C”

Blue Sky Resources Ltd.
Cash Flow Forecast
September 24, 2025 to December 28, 2025

| | | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
|---|--------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|
| For the week ending, in CAD | Notes | 28-Sep-25 | 05-Oct-25 | 12-Oct-25 | 19-Oct-25 | 26-Oct-25 | 02-Nov-25 | 09-Nov-25 | 16-Nov-25 | 23-Nov-25 | 30-Nov-25 | 07-Dec-25 | 14-Dec-25 | 21-Dec-25 | 28-Dec-25 | Total |
| Opening cash balance | | 27,189 | 1,770,738 | 1,455,482 | 479,835 | 414,835 | 1,091,244 | 667,171 | 2,869,025 | 1,799,025 | 1,495,879 | 2,471,446 | 1,068,685 | 883,685 | 373,538 | 27,189 |
| Cash Receipts | | | | | | | | | | | | | | | | |
| Revenue from Operations | | 2,712,921 | - | - | - | 2,300,190 | - | - | - | - | 2,513,961 | - | - | - | 2,602,913 | 10,129,984 |
| Less TIK obligations | | (691,073) | - | - | - | (655,844) | - | - | - | - | (631,707) | - | - | - | (649,898) | (2,628,522) |
| | Note 1 | 2,021,848 | - | - | - | 1,644,346 | - | - | - | - | 1,882,254 | - | - | - | 1,953,015 | 7,501,463 |
| Cash Disbursements | | | | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | | | | |
| Payroll - Operators | Note 2 | - | - | (500,000) | - | - | - | - | (500,000) | - | - | (500,000) | - | - | - | (1,500,000) |
| Operating Expenses - Power & Utilities | Note 3 | - | (111,400) | (173,146) | - | (316,292) | - | (173,146) | (40,000) | (173,146) | (346,292) | (509,438) | - | (173,146) | (346,292) | (2,362,300) |
| Operating Expenses - Fuel & Chemical | Note 3 | - | - | - | - | (115,000) | - | (95,000) | - | - | - | (40,000) | (40,000) | (40,000) | (40,000) | (330,000) |
| Operating Expenses - Sales Oil Hauling & Processing | Note 3 | - | (75,000) | (35,000) | (65,000) | (187,500) | - | - | (187,500) | - | (93,750) | (93,750) | (187,000) | (187,000) | (281,250) | (1,205,750) |
| Operating Expenses - Repairs and maintenance | Note 3 | (33,578) | - | - | - | (25,000) | - | (25,000) | (25,000) | - | (25,000) | (25,000) | - | - | (25,000) | (183,578) |
| Operating Expenses - Surface & mineral leases | Note 3 | - | - | - | - | (125,000) | (125,000) | - | (125,000) | (125,000) | (250,000) | - | - | (105,000) | (250,000) | (1,105,000) |
| Rent | Note 4 | - | (46,645) | - | - | (46,645) | - | - | - | - | (46,645) | - | - | - | (46,645) | (186,580) |
| Operating Contingency | | - | - | - | - | (45,000) | (24,500) | - | (50,000) | - | (40,000) | - | (40,000) | - | (50,000) | (249,500) |
| | | (33,578) | (233,045) | (708,146) | (65,000) | (860,437) | (149,500) | (293,146) | (927,500) | (298,146) | (801,687) | (1,128,188) | (80,000) | (505,146) | (1,039,187) | (7,122,707) |
| Other Disbursements | | | | | | | | | | | | | | | | |
| General and administrative expense - Payroll Employees/Office Consultants | Note 5 | (214,119) | (29,139) | (102,500) | - | (102,500) | (56,500) | - | (137,500) | - | (100,000) | (56,500) | (100,000) | - | (33,500) | (932,257) |
| General and administrative expense - Other | Note 6 | (5,602) | (53,073) | - | - | (5,000) | (53,073) | (5,000) | (5,000) | (5,000) | (5,000) | (53,073) | (5,000) | (5,000) | (5,000) | (204,821) |
| | | (219,721) | (82,212) | (102,500) | - | (107,500) | (109,573) | (5,000) | (142,500) | (5,000) | (105,000) | (109,573) | (105,000) | (5,000) | (38,500) | (1,137,079) |
| Total disbursements before professional fees | | (253,299) | (315,257) | (810,646) | (65,000) | (967,937) | (259,073) | (298,146) | (1,070,000) | (303,146) | (906,687) | (1,237,761) | (185,000) | (510,146) | (1,077,687) | (8,259,786) |
| Professional Fees | | | | | | | | | | | | | | | | |
| Company counsel legal fees | | (25,000) | - | (75,000) | - | - | (75,000) | - | - | - | - | (75,000) | - | - | - | (250,000) |
| Trustee fees | | - | - | (50,000) | - | - | (50,000) | - | - | - | - | (50,000) | - | - | - | (150,000) |
| Trustee's counsel fees | | - | - | (40,000) | - | - | (40,000) | - | - | - | - | (40,000) | - | - | - | (120,000) |
| Total Professional Fees | | (25,000) | - | (165,000) | - | - | (165,000) | - | - | - | - | (165,000) | - | - | - | (520,000) |
| Net cash flow | | 1,743,549 | (315,257) | (975,646) | (65,000) | 676,409 | (424,073) | (298,146) | (1,070,000) | (303,146) | 975,567 | (1,402,761) | (185,000) | (510,146) | 875,327 | (1,278,323) |
| Interim financing | | | | | | | | | | | | | | | | |
| Interim financing advances / (repayments) | Note 7 | - | - | - | - | - | - | 2,500,000 | - | - | - | - | - | - | - | 2,500,000 |
| Closing cash balance | | 1,770,738 | 1,455,482 | 479,835 | 414,835 | 1,091,244 | 667,171 | 2,869,025 | 1,799,025 | 1,495,879 | 2,471,446 | 1,068,685 | 883,685 | 373,538 | 1,248,866 | 1,248,866 |

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 3rd day of October 2025.

Blue Sky Resources Ltd.

Per:



Ilyas Chaudhary
President

KSV Restructuring Inc.

Per:



Andrew Basil, CPA, CA, CIRP, LIT
Managing Director

Blue Sky Resources Ltd.
Notes to the Cash Flow Forecast
September 24, 2025 to December 28, 2025

Note 1: Reflects the Company's cash receipts, net of a take-in-kind credit agreement with the Company's secured lender.

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.

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 the Company obtaining interim financing and will draw on the balance available to fund operations and the restructuring process (as necessary).

**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 December 28, 2025.


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 3rd day of October, 2025.

Blue Sky Resources Ltd.



Per: Ilyas Chaudhary

Appendix “D”

Blue Sky Resources Ltd.
Cash Flow Forecast
October 27, 2025 to January 25, 2026

| For the week ending, In CAD | Notes | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Total |
|---|--------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| | | 02-Nov-25 | 09-Nov-25 | 16-Nov-25 | 23-Nov-25 | 30-Nov-25 | 07-Dec-25 | 14-Dec-25 | 21-Dec-25 | 28-Dec-25 | 04-Jan-26 | 11-Jan-26 | 18-Jan-26 | 25-Jan-26 | |
| Opening cash balance | | 1,477,471 | 1,548,831 | 1,487,135 | 519,635 | 379,635 | 1,392,809 | 899,736 | 594,236 | 294,236 | 752,479 | 860,105 | 115,105 | 10,605 | 1,477,471 |
| Cash Receipts | | | | | | | | | | | | | | | |
| Revenue from Operations | | 319,891 | - | - | - | 1,387,318 | - | - | - | 1,363,142 | | | | 1,347,439 | 4,417,789 |
| Less TIK obligations | | - | - | - | - | (631,707) | - | - | - | (649,898) | | | | (646,500) | (1,928,105) |
| | Note 1 | 319,891 | - | - | - | 755,611 | - | - | - | 713,244 | - | - | - | 700,938 | 2,489,684 |
| Cash Disbursements | | | | | | | | | | | | | | | |
| <u>Operating Expenses</u> | | | | | | | | | | | | | | | |
| Payroll - Operators | Note 2 | - | - | (535,000) | | (125,000) | | (515,000) | | | | (515,000) | | | (1,565,000) |
| Operating Expenses - Power & Utilities | Note 3 | - | (125,000) | (125,000) | (75,000) | (125,000) | (75,000) | (125,000) | (100,000) | (125,000) | - | (120,000) | (100,000) | (125,000) | (1,220,000) |
| Operating Expenses - Fuel & Chemical | Note 3 | - | (209,000) | - | | (20,000) | (40,000) | (30,000) | | (40,000) | (35,000) | | (39,000) | (40,000) | (453,000) |
| Operating Expenses - Sales Oil Hauling & Processing | Note 3 | (50,592) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (20,000) | (10,000) | (20,000) | - | (20,000) | (20,000) | (20,000) | (260,592) |
| Operating Expenses - Repairs and maintenance | Note 3 | (5,364) | (25,000) | (25,000) | - | (25,000) | - | - | (25,000) | - | - | (25,000) | (15,000) | (25,000) | (170,364) |
| Operating Expenses - Surface & mineral leases | Note 3 | - | - | (125,000) | (25,000) | - | (25,000) | - | (110,000) | - | (24,000) | - | (115,000) | | (424,000) |
| Operating Expenses - Regulatory compliance | | - | - | - | - | - | (100,000) | (100,000) | (50,000) | (50,000) | (50,000) | (50,000) | - | - | (400,000) |
| Rent | Note 4 | - | (46,645) | - | - | (46,645) | - | - | - | (46,645) | - | - | - | - | (139,935) |
| Operating Contingency | | (24,500) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) | - | (15,000) | (15,000) | (15,000) | (15,000) | | (174,500) |
| | | (80,456) | (440,645) | (845,000) | (135,000) | (251,645) | (275,000) | (805,000) | (295,000) | (250,000) | (170,645) | (745,000) | (304,000) | (210,000) | (4,807,391) |
| <u>Other Disbursements</u> | | | | | | | | | | | | | | | |
| General and administrative expense - Payroll Employees/Office Consultants | Note 5 | (113,502) | (22,500) | (117,500) | - | (117,500) | - | (100,500) | - | - | (100,500) | - | (100,500) | - | (672,502) |
| General and administrative expense - Other | Note 6 | (53,073) | (5,000) | (5,000) | (5,000) | (5,000) | (53,073) | - | (5,000) | (5,000) | (53,073) | - | - | - | (189,219) |
| | | (166,575) | (27,500) | (122,500) | (5,000) | (122,500) | (53,073) | (100,500) | (5,000) | (5,000) | (153,573) | - | (100,500) | - | (861,721) |
| Total disbursements before professional fees | | (247,031) | (468,145) | (967,500) | (140,000) | (374,145) | (328,073) | (905,500) | (300,000) | (255,000) | (324,218) | (745,000) | (404,500) | (210,000) | (5,669,112) |
| Professional Fees | | | | | | | | | | | | | | | |
| Company counsel legal fees | | (1,500) | (75,000) | - | - | | (75,000) | - | - | - | (75,000) | - | - | - | (226,500) |
| Trustee fees | | - | (50,000) | - | - | | (50,000) | - | - | - | (50,000) | - | - | - | (150,000) |
| Trustee's counsel fees | | - | (40,000) | - | - | | (40,000) | - | - | - | (40,000) | - | - | - | (120,000) |
| Total Professional Fees | | (1,500) | (165,000) | - | - | - | (165,000) | - | - | - | (165,000) | - | - | - | (496,500) |
| Net cash flow | | 71,360 | (633,145) | (967,500) | (140,000) | 381,466 | (493,073) | (905,500) | (300,000) | 458,244 | (489,218) | (745,000) | (404,500) | 490,938 | (3,675,928) |
| Interim financing | | | | | | | | | | | | | | | |
| Interim financing advances / (repayments) | Note 7 | - | 571,450 | | | 631,707 | - | 600,000 | - | - | 596,843 | - | - | - | 2,400,000 |
| Asset sales | | | | | | | | | | | | | | | |
| Proceeds from asset sales | Note 8 | - | - | - | - | - | - | - | - | - | - | - | 300,000 | - | 300,000 |
| Closing cash balance | | 1,548,831 | 1,487,135 | 519,635 | 379,635 | 1,392,809 | 899,736 | 594,236 | 294,236 | 752,479 | 860,105 | 115,105 | 10,605 | 501,543 | 501,543 |

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 8. 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 3rd day of November 2025.

Blue Sky Resources Ltd.

Per: 

Mike Bouvier
Interim President

KSV Restructuring Inc.

Per: 

Andrew Basi, CPA, CA, CIRP, LIT
Managing Director

Blue Sky Resources Ltd.
Notes to the Cash Flow Forecast
October 27, 2025 to January 25, 2026

Note 1: Reflects the Company's cash receipts assuming current production levels remain unchanged, net of a take-in-kind credit agreement with the Company's secured lender. The revenue from operations assumes all revenue from BC operations is paid to the Company during the forecast period.

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.

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 the Draw Schedule as defined within the Interim Facility Term Sheet, which includes: (i) the first draw reflecting the actual TIK obligation occurring on October 25th; (ii) the draw reflecting the budgeted TIK obligation forecasted on November 25; and (iii) subsequent draws reflecting the needs of the Company as forecasted by the cash flow.

Note 8: Proceeds from asset sales reflect the sale proceeds from certain transactions currently being negotiated by the Company. As negotiations are on going, the full value of the transactions are not disclosed in this 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 January 25, 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 8.

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 8. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Calgary, this 3rd day of November, 2025.

Blue Sky Resources Ltd.



Per: Mike Bouvier

Appendix “E”

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of Blue Sky Resources Ltd. (the "Company"), as of the 3rd day of November, 2025, consisting of a weekly cash flow statement for the period October 27, 2025 to January 25, 2026, has been prepared by the management of the insolvent person for the purpose of supporting the Company's Notice of Intention or Make a Proposal ("NOI"), using the probable and hypothetical assumptions set out in Notes 1-8.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose of supporting the Company's NOI and readers are cautioned that it may not be appropriate for other purposes.

Dated this 3rd day of November, 2025.

**KSV RESTRUCTURING INC.
TRUSTEE**

A handwritten signature in blue ink that reads "KSV Restructuring Inc." in a cursive script.

Per: Andrew Basi, Managing Director