



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 **SEVENTH REPORT OF THE PROPOSAL TRUSTEE**

MARCH 2, 2026

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

PROPOSAL TRUSTEE

KSV Restructuring Inc.
324-8th 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

PROPOSAL TRUSTEE'S COUNSEL

4500 Bankers Hall East
855 - 2nd Street SW
Calgary, AB, T2P 4K7

Attention: Keely Cameron
Telephone: (403) 298-3324
E-Mail: cameronk@bennettjones.com

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1.0 Introduction

1. This report (this “**Seventh Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with the Notice of Intention to Make a Proposal (“**NOI**”) filed on September 24, 2025 (the “**NOI Filing Date**”) by Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Company**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceeding**”).
2. The principal purposes of the NOI Proceeding are to: (i) provide for a stay of proceedings to allow the Company an opportunity to complete a court-supervised sale and investment solicitation process (“**SISP**”) to maximize the value of the Company’s assets for the benefit of its stakeholders; and (ii) provide a formal process for Blue Sky’s creditors and stakeholders to obtain information about the Company.
3. On October 15, 2025, the Court of King’s Bench of Alberta (the “**Court**”) granted, among other things, the following relief:
 - a) Blue Sky’s application for an Order which, among other matters, extended the period in which Blue Sky can make a proposal to its creditors and the stay of proceedings up to and including November 9, 2025 (the “**Stay of Proceedings**”); and
 - b) Blue Sky’s application for an Order (the “**Admin Charge 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) 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 “**Admin Charge**”).
4. Between November 7 and November 20, 2025, the Court granted, among other things, the following relief:
 - a) approval of the SISP;

- b) authorization for the Company to borrow from ACES Canada SPV III ULC (the “**Interim Lender**”) pursuant to an interim facility term sheet (the “**Interim Facility Term Sheet**”) and granting the interim lender’s charge (the “**Interim Lender’s Charge**”), ranking only subordinate to the Administration Charge;
 - c) an extension of the Stay of Proceedings up to and including December 24, 2025;
 - d) authorization for the Proposal Trustee and Sayer Energy Advisors (“**Sayer**” or the “**Sales Agent**”) to conduct the SISP;
 - e) Blue Sky’s application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Tamarack Valley Energy; and
 - f) Blue Sky’s application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Spur Petroleum Ltd.
5. On December 17, 2025, the Court granted Blue Sky’s application for an Order which includes, among other matters, the following relief:
- a) a charge in favour of the Key Employee Retention Plan for amounts payable to certain key personnel up to a maximum of \$75,000; and
 - b) an extension of the Stay of Proceedings up to and including February 7, 2025.
6. On January 26, 2026, the Court released its decision with respect to Canadian Natural Resources Limited’s application filed December 17, 2025, for an Order which includes, among other matters, the following relief:
- a) declaring all demands for payments made by the Government of Alberta, Department of Energy and Minerals in respect of certain gas royalty arrears, constitutes a claim provable in the NOI Proceeding or exercise of a remedy by Alberta Energy against Blue Sky’s property, which must be advanced by Alberta Energy in the first instance within the NOI Proceedings prior to seeking any recoveries from Canadian Natural or any other leaseholder noted on the Royalty Default Letter;

- b) Alberta Energy is precluded from collecting any payments related to the Blue Sky Royalty Arrears until such time as the Stay is terminated or expires, following which Alberta Energy is entitled to proceed in the normal course to recover any Blue Sky Royalty Arrears relating to petroleum and natural gas leases;
 - c) extending the Stay of Proceedings to the demands for payment issued in respect of Blue Sky Royalty Arrears and any efforts by Alberta Energy to collect the Blue Sky Royalty Arrears from Canadian Natural or any other leaseholders, or exercise any remedies with respect thereto, constitutes a breach of the Stay and is prohibited by section 69 of the BIA;
 - d) The Court confirmed that during the NOI Proceedings, Alberta Energy may seek to recover the Blue Sky Royalty Arrears as cure costs and as a condition to the approval of the transfer of mineral interests; and
 - e) On February 4, 2026, Alberta Energy filed a Civil Notice of Appeal to appeal the decision released on January 26, 2026.
7. On February 3, 2026, the Court granted Blue Sky's application for an Order which includes, among other matters, extending the Stay of Proceedings up to and including March 24, 2026.
8. On February 18, 2026, the Court granted Blue Sky's application for multiple sale and approval vesting orders which authorize and approve several transactions involving non-AER licensed assets pursuant to purchase agreements entered into between Blue Sky and Baytex Energy Ltd., Obsidian Energy Ltd., and Peyto Exploration & Development Corp (collectively, the "**February 18th Transactions**").

1.1 Purposes of this Seventh Report

1. The purposes of this Seventh Report are to discuss:
 - a) the Proposal Trustee's activities since the sixth report of the Proposal Trustee, dated February 13, 2026 (the "**Sixth Report**");
 - b) the Company's activities since the Sixth Report;

- c) an update on the Company's actual performance versus the Company's cash flow statement for the period commencing on January 26, 2026 and ending February 20, 2026 (the "**Fourth Cash Flow Statement**");
- d) a summary of the disputed production revenue matters between the Company, Macquarie Energy Canada Ltd. ("**Macquarie**") and its Secured Lenders (as defined in the first report of the Proposal Trustee dated October 10, 2025 (the "**First Report**"));
- e) an update on the status of the SISP; and
- f) Blue Sky's application for a sale approval and vesting order which authorized and approves a purchase agreement entered into with Canadian Natural Resources Ltd. ("**CNRL**").

1.2 Scope and Terms of Reference

1. In preparing this Seventh 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 Seventh Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. This Seventh Report should be read in conjunction with the Confidential Appendix to the Fifth Report of the Proposal Trustee filed February 2, 2026 and the materials filed by the Company, including the First Affidavit of Ilyas Chaudhary, sworn October 8, 2025, the First Affidavit of Mike Bouvier, sworn October 30, 2025, the Second Affidavit of Mike Bouvier sworn November 4, 2025, the Third Affidavit of Mike Bouvier sworn December 10, 2025, the Fourth Affidavit of Mike Bouvier sworn January 28, 2026, the Fifth Affidavit of Mike Bouvier sworn February 11, 2026, the Sixth Affidavit of Mike Bouvier sworn February 26, 2026, the Supplemental Affidavit of Mike Bouvier sworn February 27, 2026, and any further affidavits filed by the Company in advance of the March 3, 2026 hearing (collectively, the “**Blue Sky Affidavits**”). Capitalized terms not defined in this Seventh Report have the meanings ascribed to them in the Blue Sky Affidavits.

1.3 Currency

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

1.4 Court Materials

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

2.0 Background

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

3.0 Sale and Investment Solicitation Process (SISP) ¹

3.1 Share Offer

1. As discussed in the Sixth Report, the Company received an offer from one of the prospective purchasers outlining the terms of a share purchase transaction that would result in the acquisition of all the outstanding shares of Blue Sky (the “**Share Offer**”). On February 22, 2026, the Company received a revised bid which incorporated certain changes to the Share Offer. At the time of this Seventh Report, the Proposal Trustee understands that the Company, the Secured Lender and the party that submitted the Share Offer are arranging a meeting to discuss the transaction and implementation matters pursuant to filing a proposal.

3.2 CNRL Transaction

1. The Proposal Trustee can confirm that each of the February 18th Transactions have now closed and the Proposal Trustee Certificates were issued on February 25, 2026. The proceeds from these sales were used to satisfied certain accrued post-filing obligations.
2. At the time of the Sixth Report, Blue Sky was still negotiating the terms of several proposed transactions. These negotiations have subsequently resulted in an executed asset purchase agreement with CNRL (the “**CNRL Transaction**”). An executed copy of the unredacted purchase and sale agreement for the CNRL Transaction will be attached as an exhibit to a Confidential Supplemental Affidavit of Mike Bouvier dated February 27, 2026 (the “**CNRL Purchase and Sale Agreement**”). A redacted copy of the CNRL Purchase and Sale Agreement will also be attached as an exhibit to a Supplemental Affidavit of Mike Bouvier dated February 27, 2026.
3. A summary of the terms of the CNRL Purchase and Sale Agreement is below:

Seller: Blue Sky Resources Ltd.

Buyer: Canadian Natural Resources Limited

¹ Capitalized terms in this section have the meaning provided to them in the SISP or the CNRL Purchase and Sale Agreement, unless otherwise defined herein.

Assumed Liabilities: All liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs

Assets: All of the Vendor's right, title and interest in and to the assets more particularly described in Schedule A, including multiple well licenses, facilities and pipelines located in the Saddle Hills, Cranberry, Hotchkiss, Fox Creek, Bilbo, Arch Minor, Dunvegan areas of Alberta

Representation and Warranties: Consistent with the terms of a standard insolvency transaction (i.e., on an "as is, where is" basis, with limited representations and warranties)

Material Conditions: Includes, among other things, the Court's granting of the Approval and Vesting Order

Payment of Post Filing Obligations: The Vendor hereby covenants and agrees that, promptly after Closing, and in accordance with the Approval and Vesting Order, it shall use all or any portion of the Purchase Price received from the Purchaser hereunder to satisfy obligations required to maintain the Assets that arose, accrued or were incurred from and after the Filing Date to the Closing Date, including all obligations in respect of surface rentals, mineral rentals, royalty arrears and property taxes, up to a maximum of \$150,000

Outside Date: March 20, 2026

Closing: 5 Business Days following satisfaction of all material conditions, the Parties expect that Closing will be on or about March 3, 2026

3.2.1 Recommendation on the CNRL Purchase and Sale Agreement

1. In determining its recommendation to this Court for the CNRL Transaction, the Proposal Trustee considered whether the CNRL Transaction met the factors prescribed by s. 65.13(4) of the BIA and 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 factors of s.65.13(4), and the Proposal Trustee’s responding comments, are listed below:

a) *Whether the process leading to the proposed sale or disposition was reasonable in the circumstance.*

The assets included in the CNRL Transaction were actively marketed as part of the SISP. CNRL submitted the highest and best offers for the purchased assets prior to the Bid Deadline for non-Binding Letters of Intent.

b) *Whether the trustee approved the process leading to the proposed sale or disposition.*

The Court approved the SISP, which was recommended by the Proposal Trustee. The CNRL Transaction has been advanced in consultation with the Sales Agent.

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 a bankruptcy.*

This Seventh Report reflects the Proposal Trustee’s views of the CNRL Transaction. The Proposal Trustee supports the CNRL Transaction as its structure is practical, cost-effective, and consistent with other similar transactions, while providing economic benefit to the NOI Proceeding and, thereby, its stakeholders. Additionally, as with the February 18th Transactions, the sales proceeds from the CNRL Transaction are required to fund the continuation of the NOI Proceedings and allow an opportunity for the Company to advance a plan or proposal to its creditors.

- d) *The extent to which the creditors were consulted.*

The CNRL Transaction resulted from the Court approved SISP. There is no indication that the process leading to the CNRL Transaction was unfair and, further, the Proposal Trustee is not aware of any creditor objections as of the time this Seventh Report has been published.

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

If successful, the CNRL Transaction will provide further proceeds to assist in funding the conclusion of the NOI Proceeding, which will benefit all stakeholders.

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

As mentioned above, the CNRL Transaction resulted from the Court approved SISP, which tested the broader market and remains the highest and best transaction value for the assets.

2. Based on the foregoing, the Proposal Trustee recommends this Court approve the CNRL Transaction.

4.0 Disputed Production Revenue

1. As discussed in the affidavit of Mike Bouvier, sworn February 25, 2026, the Company has continued to remit monthly payments towards the amounts owed under a pre-filing credit agreement entered into between the Company and its Secured Lenders (the “**TIK Payments**”). These payments are comprised of a portion of the oil production from certain of its licensed oil assets and is directed to the Company’s Secured Lender pursuant to an amended and restated direct pay agreement among the Company, the Secured Lenders and Macquarie (the “**Direct Pay Agreement**”). The Direct Pay Agreement operates whereby Macquarie receives the oil production from certain of the Company’s licensed assets a portion of which is then directed to the Senior Lender, with the residual being received by the Company.

2. Paragraph 5 of the Interim Lending Agreement includes the provision of TIK Payments to the Secured Lenders on or about October 25, 2025 and on or about November 25, 2025. The Company has paid these two TIK Payments to the Interim Lender and has also remitted the TIK Payments for September 2025, December 2025 and January 2026. These payments were reflected in the Company's cash flow statements.
3. The Company continued to make the TIK Payments to the Interim Lender following the commencement of these NOI Proceedings because the October and November 2025 TIK Payments required to be paid under the Interim Lending Agreement. The Company continued to pay the TIK Payments to the Interim Lender in December 2025 and January 2026 because (a) the existing interim facility had not yet been exhausted and there were ongoing discussions with the Interim Lender with respect to further funding, and (b) the Interim Lending Agreement prohibited the Company from attempting to interfere with the TIK Payment arrangement with Macquarie. However, following the Interim Lender failing to advance further funds under the Interim Lending Agreement, the Company is now taking the position that the TIK Payments should no longer be made to the Secured Creditors. The Company believes the continuation of the TIK Payments has contributed, in part, to the Company financial challenges during these NOI Proceedings. Accordingly, on February 19, 2026, the Company delivered a letter to Macquarie requesting that the portion of revenue attributed to the TIK Payments due and payable on February 25, 2026 (the "**February TIK Payment**") be held by Macquarie pending a direction by this Honourable Court. On February 24, 2026, Macquarie confirmed that the revenue portion allocated to satisfy the February TIK Payment would be held pending direction from the Court. The Secured Lender also consented to this arrangement.
4. In consideration of the foregoing, the Company sought a direction from this Court to direct Macquarie to remit the February TIK Payment to the Company; however, the Company and the Interim Lender have agreed to adjourn this issue *sine die* and are in discussions to either resolve the dispute consensually or schedule steps for the Interim Lender to provide responding evidence.
5. The Proposal Trustee does not currently take a position on the February TIK Payment matter and will provide further reporting to this Court if this matter can not be resolved between the parties.

5.0 Cash Flow Statement

1. Pursuant to subsection 50.4(2)(a) of the BIA, the Company prepared the Fourth Cash Flow Statement for the period ending March 29, 2026 (the “**Period**”) which was attached to the Fifth Report. The Fourth Cash Flow Statement, together with Management’s Report on the Fourth Cash Flow Statement as required by subsection 50.4(2)(c) of the BIA, are collectively attached hereto as **Appendix “A”**.
2. The Fourth Cash Flow Statement was prepared by the Company with the assistance of the Proposal Trustee. The Company’s receipts during the Period are comprised largely of proceeds from the operation of the Company’s producing licensed assets. Projected disbursements are primarily for funding the Company’s operations, payroll, insurance, contractor payments, utilities, rent, and other operating expenses and professional fees.

5.1 Performance Against the Fourth Cash Flow Statement

1. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Company’s business and financial affairs since the NOI Filing Date.
2. A review process was established with the Company to review weekly cash variances. A comparison of the Company’s receipts and disbursements to the Fourth Cash Flow Statement for the period from January 26, 2026 to February 20, 2026 (the “**Reporting Period**”) is as follows:

Reporting Period (\$CAD)	Actual	Fourth Cash Flow Statement	Favourable / (Unfavourable) Variance
Opening Cash Balances	1,070,665	1,070,665	-
Operating Receipts	81,622	-	81,622
Asset Proceeds	370,600	2,000,000	(1,629,400)
Interim Financing	-	505,000	(505,000)
Total Receipts	452,222	2,505,000	(2,052,778)
Operating Disbursements	(929,792)	(1,711,119)	781,327
Other Disbursements	(370,600)	(500,000)	129,400
Net Cash Flow	(848,170)	293,881	(1,142,051)
Closing cash balance	222,495	1,364,546	

Proposal Trustee's Comments

3. Operating and non-operating disbursements were lower due primarily to timing of certain payments. Overall, the net cash flow over the Reporting Period results in an unfavourable variance of approximately \$1,142,000 which was primarily driven by the variances in cash receipts described above.
 - a) Operating Receipts - Operating receipts were higher than forecast as a result of late collections on certain revenues forecasted to be collected in the weeks prior to the Fourth Cash Flow Forecast;
 - b) Asset Proceeds – The Company originally forecasted obtaining court approval and closing on several transactions by February 20, 2026, however only three transactions have been approved and closed to date. The Company is in the process of negotiating additional transactions and expects this variance is simply a function of timing; and

- c) Interim Financing – The variance in interim financing is mostly due to timing. Throughout the Period, the Company has continued to work with the Interim Lender and submit various funding requests on an as needed basis. As discussed in the Fifth Report, a funding request for approximately \$505,000 remains unfunded. On February 18, 2026, the Interim Lender informed the Company it would not be funding the final funding request. The Proposal Trustee views this as a permanent variance.
4. Operating and non-operating disbursements were lower due primarily to timing of certain payments due to the variances in cash receipts described above. Overall, the net cash flow over the Reporting Period results in an unfavourable variance of approximately \$1,142,000 which was primarily driven by the variances in cash receipts described above.
5. As discussed in the Sixth Report, the Company has faced persistent liquidity challenges and personnel constraints throughout these NOI Proceedings, which has resulted in the Company delaying payment for certain of its post-filing obligations and the Company's view is that some of these amounts will be treated as cure costs on the sale of assets. As at the date of this Seventh Report, the following estimated post filing obligations and payables remain outstanding either to be paid as funds are available or as cure costs on the sale of assets i) \$739,805 in trade payables; ii) \$385,000 in royalty arrears; (iii) \$980,000 in surface and mineral lease payments; (iv) \$146,326 in accrued professional fees not including unbilled work in progress for February 2026; and (v) amounts accruing in respect of utility payments. The Company had paid its post-filing utility payments until the end of January but was switched to two default utility providers (Direct Energy and Epcor) as a result of failing to submit the pre-payment amount owing for the month of February. The Company has negotiated a payment arrangement with Direct Energy, and is current with respect of that arrangement. The Company continues to negotiate payment terms with Epcor and is determining which of its sites can be safely de-energized in order to reduce the Company's energy consumption and distribution costs. Prior to suspending its oil and gas assets in Alberta, the Company's average monthly utility costs were approximately \$400,000.

6.0 Activities of the Company and Proposal Trustee

6.1 Activities of the Proposal Trustee

1. Further to the activities listed in the Sixth Report, the Proposal Trustee has performed the following key activities:
 - a) assisting the Company with its communications to both internal and external stakeholders;
 - b) assisting in advancing transactions under the SISP;
 - c) monitoring the affairs of the Company's business including reviewing financial information with management;
 - d) held discussions with the Orphan Well Association regarding the status of these NOI Proceedings;
 - e) reviewing the CNRL Purchase and Sale Agreement;
 - f) maintaining the Case Website for these NOI Proceedings; and
 - g) preparing this Seventh Report.

6.2 Activities of the Company

1. The Proposal Trustee has observed certain key activities of the Company in addition to the activities included in the Sixth Report as follows:
 - a) communicating with various stakeholders and creditors regarding the NOI Proceedings, in consultation with the Proposal Trustee;
 - b) negotiating the CNRL Purchase and Sale Agreement;
 - c) closing the February 18th Transactions;
 - d) working on advancing a proposal or plan of arrangement for the Company's stakeholders; and
 - e) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements.

7.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Restructuring Inc." The signature is written in a cursive, flowing style.

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

Appendix “A”

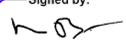
Blue Sky Resources Ltd.
Cash Flow Forecast
January 26, 2026 to March 29, 2026

For the week ending, In CAD	Notes	Actual	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Forecast	
		Performance To Date	01-Feb-26	08-Feb-26	15-Feb-26	22-Feb-26	01-Mar-26	08-Mar-26	15-Mar-26	22-Mar-26	29-Mar-26	Forecast Period Total	Total
Opening cash balance		27,189	1,070,665	717,264	605,191	522,691	1,364,546	1,038,075	436,502	372,502	360,002	1,070,665	27,189
Cash Receipts													
Revenue from Operations		9,124,849	-	-	-	-	1,010,829	-	-	-	300,000	1,310,829	10,435,678
Less TIK obligations		(2,902,040)	-	-	-	-	(400,000)	-	-	-	-	(400,000)	(3,302,040)
	Note 1	6,222,809	-	-	-	-	610,829	-	-	-	300,000	910,829	7,133,838
Cash Disbursements													
Operating Expenses													
Payroll - Operators	Note 2	(1,903,974)	(74,401)	(378,000)	-	-	-	(236,000)	-	-	(139,500)	(827,901)	(2,731,875)
Operating Expenses - Power & Utilities	Note 3	(2,308,390)	-	(36,000)	-	-	(350,000)	-	-	-	(700,563)	(1,086,563)	(3,394,952)
Operating Expenses - Fuel & Chemical	Note 3	(89,498)	(57,700)	(25,000)	-	-	(45,000)	-	-	-	(20,000)	(147,700)	(237,198)
Operating Expenses - Sales Oil Hauling & Processing	Note 3	(353,771)	(78,000)	-	-	-	(58,000)	-	-	-	(290,000)	(426,000)	(779,771)
Operating Expenses - Repairs and maintenance	Note 3	(375,987)	-	-	-	(131,500)	(55,000)	(25,000)	(7,500)	-	(72,000)	(291,000)	(666,987)
Operating Expenses - Royalties, Surface & Mineral Leases	Note 3	(533,603)	-	-	-	(430,000)	(350,000)	-	-	-	(1,500,000)	(2,280,000)	(2,813,603)
Operating Expenses - Regulatory compliance	Note 3	(225,329)	(15,000)	-	-	(150,000)	(10,000)	-	-	-	(10,000)	(185,000)	(410,329)
Rent	Note 4	(153,047)	(7,800)	-	-	(46,645)	(7,800)	-	-	-	(46,645)	(108,890)	(261,937)
Operating Contingency		(11,857)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(350,000)	(450,000)	(461,857)
		(5,955,456)	(245,401)	(451,500)	(12,500)	(770,645)	(888,300)	(273,500)	(20,000)	(12,500)	(3,128,708)	(5,803,054)	(11,758,509)
Other Disbursements													
General and administrative expense - Payroll Employees/Office Consultants	Note 5	(1,069,275)	(85,000)	-	(70,000)	-	(44,000)	-	(44,000)	-	(119,000)	(362,000)	(1,431,275)
General and administrative expense - Other	Note 6	(304,199)	(23,000)	(53,073)	-	-	(5,000)	(53,073)	-	-	(5,000)	(139,146)	(443,345)
		(1,373,474)	(108,000)	(53,073)	(70,000)	-	(49,000)	(53,073)	(44,000)	-	(124,000)	(501,146)	(1,874,620)
Total disbursements before professional fees		(7,328,930)	(353,401)	(504,573)	(82,500)	(770,645)	(937,300)	(326,573)	(64,000)	(12,500)	(3,252,708)	(6,304,200)	(13,633,130)
Professional Fees													
Company counsel legal fees		(203,493)	-	(50,000)	-	(250,000)	-	(150,000)	-	-	(250,000)	(700,000)	(903,493)
Trustee fees		(211,622)	-	(37,500)	-	(112,500)	-	(75,000)	-	-	(150,000)	(375,000)	(586,622)
Trustee's counsel fees		(26,163)	-	(25,000)	-	(25,000)	-	(50,000)	-	-	(80,000)	(180,000)	(206,163)
Total Professional Fees		(441,277)	-	(112,500)	-	(387,500)	-	(275,000)	-	-	(480,000)	(1,255,000)	(1,696,277)
Net cash flow		(1,547,398)	(353,401)	(617,073)	(82,500)	(1,158,145)	(326,471)	(601,573)	(64,000)	(12,500)	(3,432,708)	(6,648,371)	(8,195,769)
Interim financing													
Interim financing advances / (repayments)	Note 7	1,890,874	-	505,000	-	-	-	-	-	-	-	505,000	2,395,874
Asset sales													
Proceeds from asset sales		700,000	-	-	-	2,000,000	-	-	-	-	3,100,000	5,100,000	5,800,000
Closing cash balance		1,070,665	717,264	605,191	522,691	1,364,546	1,038,075	436,502	372,502	360,002	27,294	27,294	27,294

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 1st day of February 2026.

Blue Sky Resources Ltd.
 Per:

Signed by:


Mike Bouvier
 President

KSV Restructuring Inc.
 Per:



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

Blue Sky Resources Ltd.
Notes to the Cash Flow Forecast
January 26, 2026 to March 29, 2026

Note 1: Reflects the Company's cash receipts, which reflects the shut in of its Alberta assets and production of its BC assets only by the end of March 2026.

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

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

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

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

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

Note 7: The Cash Flows Forecast reflects draw downs from the funds available under the Interim Facility Term Sheet, which reflects the needs of the Company as forecasted by the cash flow. There is some uncertainty on whether these amounts will be received however the Company has made the assumption these amounts will be received for the purposes of this Cash Flow Forecast.

Note 8: Reflects asset sales completed pursuant to the SISP.

**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 March 29, 2026.

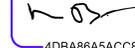
The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 8.

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 1st day of February, 2026.

Blue Sky Resources Ltd.

Signed by:


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Per: Mike Bouvier