



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                   **SIXTH REPORT OF THE PROPOSAL TRUSTEE**

**FEBRUARY 13, 2026**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT                   **PROPOSAL TRUSTEE**  
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## 1.0 Introduction

1. This report (this “**Sixth 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, constitute 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
7. On February 4, 2026, Alberta Energy filed a Civil Notice of Appeal to appeal the decision released on January 26, 2026.
8. On February 3, 2026, the Court granted Blue Sky's application for an Order which includes, among other matters, extended the Stay of Proceedings up to and including March 24, 2026.

### 1.1 Purposes of this Sixth Report

1. This Sixth Report is intended to provide the Court with further information related to the relief sought by the Company on its application scheduled for February 18, 2026. This Sixth Report specifically provides information regarding:
- a) the Proposal Trustee's activities since the fifth report of the Proposal Trustee, dated February 2, 2026 (the "**Fifth Report**");
  - b) the Company's activities since the Fifth Report;
  - c) the Company's actual performance versus the Company's cash flow statement for the period commencing on January 26, 2026 and ending February 8, 2026 (the "**Fourth Cash Flow Statement**");
  - d) an update on the status of the SISP;

- e) summarize the fees and disbursements of the Proposal Trustee and its legal counsel since the NOI Filing Date and provide the Proposal Trustee's recommendation that the Court approve of same;
  - f) Blue Sky's application for an Order which includes, among other matters, increases the quantum of the Admin Charge from \$500,000 to \$750,000; and
  - g) Blue Sky's application for multiple sale approval and vesting orders which authorize and approve several transactions (the "**February Transactions**") involving non-AER licensed assets pursuant to purchase agreements that Blue Sky anticipates entering into with:
    - i. Canadian Natural Resources Ltd. ("**CNRL**");
    - ii. Baytex Energy Ltd. ("**Baytex**");
    - iii. Peyto Exploration & Development Corp. ("**Peyto**");
    - iv. Potts Petroleum Inc. ("**Potts**")
    - v. Obsidian Energy Ltd. ("**Obsidian**"); and
    - vi. Prairie Thunder Resources Ltd. ("**Prairie Thunder**").
2. As at the date of this Sixth Report, the Company is proceeding with the Peyto and Obsidian transactions. Blue Sky continues to negotiate the remainder of the February Transactions and may file a supplemental affidavit that includes further purchase and sale agreements for Court Approval at the application scheduled for February 18, 2026 or seek approval at a Court application scheduled for March 3, 2026.

## 1.2 Scope and Terms of Reference

1. In preparing this Sixth 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 Sixth 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 Sixth 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 and any further affidavits filed by the Company in advance of the February 18, 2026 hearing (collectively, the “**Blue Sky Affidavits**”). Capitalized terms not defined in this Sixth Report have the meanings ascribed to them in the Blue Sky Affidavits.

### 1.3 Currency

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

### 1.4 Court Materials

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

## 2.0 Background

1. Blue Sky, a corporation registered in accordance with the laws of Alberta, operates as an oil and gas producer from its headquarters in Calgary, Alberta. The Company operates its licensed assets throughout Alberta, British Columbia and Saskatchewan.

2. A detailed background on the Company, the Company's liquidity position, and the reasons for the NOI Proceeding have been included in the first report of the Proposal Trustee dated October 10, 2025 and the Blue Sky Affidavits.

### 3.0 Sale and Investment Solicitation Process (SISP) <sup>1</sup>

#### 3.1 Transactions

1. Non-Binding Letters of Intent were received from 53 interested parties by the Bid Deadline for non-Binding Letters of Intent on January 29, 2026. In accordance with the SISP, the Proposal Trustee has provided information regarding the bids to the Interim Lender, AER and OWA.
2. Since the conclusion of the Bid Deadline, the Sales Agent, the Proposal Trustee and Blue Sky have completed a review of the bids received and have entered into negotiations with certain Successful Bidders to advance a series of transactions. These negotiations have resulted in asset purchase agreements and Blue Sky is seeking Court approval of the transactions described below:
  - a) A purchase agreement dated February 13, 2026 with Peyto (the "**Peyto Transaction**"); and
  - b) A purchase agreement dated February 13, 2026 with Obsidian (the "**Obsidian Transaction**").
3. Executed copies of the unredacted purchase and sale agreements for each of the Peyto Transaction and Obsidian Transaction are attached as exhibits to the Confidential Affidavit of Mike Bouvier dated February 13, 2026 (the "**Purchase and Sale Agreements**"). Redacted copies of the Purchase and Sale Agreements are attached as exhibits to the Affidavit of Mike Bouvier dated February 13, 2026.
4. The key terms and conditions of the Purchase and Sale Agreements are summarized in **Appendix "A"**.

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

5. As discussed above, Blue Sky had anticipated entering into agreements with the remaining February Transactions however executed asset purchase agreements have not been finalized at the time of preparing this report. It is anticipated that either a further affidavit will be filed by the Company to provide the Court with finalized purchase and sale agreements or Court approval of those transactions will be deferred to March 3, 2026.
6. On February 11, 2026, the Proposal Trustee and Sales Agent received a revised offer from one of the prospective purchasers outlining the terms of a share purchase transaction (the “**Share Offer**”) that would result in acquisition of all the outstanding shares of Blue Sky. This transaction is contemplated to be facilitated by Blue Sky filing a proposal to its creditors. A copy of the Share Offer is attached as an exhibit to the Confidential affidavit #2 of Mike Bouvier dated February 13, 2026.
7. Pursuant to the SISP, the definitive agreement deadline for successful offers is February 20, 2026. The Proposal Trustee or the Sales Agent have not notified any of the successful bidders (other than those bidders selected for the February Transactions) for licensed asset purchases as the Company is currently negotiating the Share Offer in an effort to address all of the Company’s asset retirement obligations, which is a stated requirement of the AER prior to approving AER license transfers. The Company anticipates that as the Share Offer is further negotiated, certain bids will be advanced in accordance with the terms of the Share Offer.

### **3.1.1 Recommendation on the Purchase and Sale Agreements**

1. In determining its recommendation to this Court for the February Transactions, the Proposal Trustee considered whether each of the February Transactions 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 February Transactions were actively marketed as part of the SISP. The purchasers involved with the February Transactions 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 proposed sales have 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 Sixth Report reflects the Proposal Trustee's views of the February Transactions. The Proposal Trustee supports the February Transactions as their structure is practical, cost-effective, and consistent with other similar transactions, while providing economic benefit to the NOI Proceeding and, thereby, its stakeholders. Additionally, the sales proceeds from the February Transactions are required to fund the continuation of the NOI Proceedings and allow an opportunity for the Company to advance a plan to its creditors.

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

The February Transactions resulted from the Court approved SISP. There is no indication that the process leading to the February Transactions was unfair and, further, the Proposal Trustee is not aware of any creditor objections as of the time this Sixth Report has been published. Asset sales were discussed in the Fifth Report and included in the cash flows filed with the Fifth Report. We also understand that the Company discussed the sale of certain non-licensed assets with its Interim Lender.

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

If successful, the February Transactions will provide 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 February Transactions 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 February Transactions.

### **3.2 Red Earth Asset Auction**

1. Following receipt of the bids, on February 5, 2026, the Proposal Trustee informed the Interim Lender of certain bids being received on the Company's Red Earth Assets. As described in the SISP, the Interim Lender can trigger an Auction in respect of the Red Earth Assets within 2 business days of receiving notice of the bids received. On February 9, 2026, the Interim Lender's counsel delivered a notice that the Interim Lender had triggered the Auction.
2. At the time of this Sixth Report, the Proposal Trustee has notified the Interim Lender that an auction cannot be advanced until after funds are available to fund the auction and information is provided to the Proposal Trustee on how the Interim Lender intends to address AER license transfers in the event that all asset retirement obligations are not addressed, as the AER has advised the Court that this is requirement for AER license transfer approvals.

## **4.0 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 "B"**.

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.

#### 4.1 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 8, 2026 (the "**Reporting Period**") is as follows:

Reporting Period (\$CAD)	Actual	Fourth Cash Flow Statement	Favourable / (Unfavourable) Variance
<b>Opening Cash Balances</b>	<b>1,070,665</b>	<b>1,070,665</b>	<b>-</b>
Operating Receipts	115,108	-	115,108
Interim Financing	-	505,000	(505,000)
<b>Total Receipts</b>	<b>115,108</b>	<b>505,000</b>	<b>(389,892)</b>
Operating Disbursements	(722,645)	(857,974)	135,329
Other Disbursements	-	(112,500)	112,500
<b>Net Cash Flow</b>	<b>(607,537)</b>	<b>(465,474)</b>	<b>(142,063)</b>
<b>Closing cash balance</b>	<b>463,128</b>	<b>605,191</b>	

### 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 \$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 for in the weeks prior to the Fourth Cash Flow Forecast; and
  - b) 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. The Company continues to hold discussion with the Interim Lender on further interim financing, a decision for which is subject to the ongoing review of the bids and the triggered auction.
4. 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 \$142,000 which was primarily driven by the variances in cash receipts described above.
5. As discussed in the Fifth 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 Sixth 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) \$513,683 in trade payables; ii) \$385,000 in royalty arrears; (iii) \$980,000 in surface and mineral lease payments; (iv) \$516,926 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 the default utility provider as a result of failing to submit the pre-payment amount owing for the month of February. The Company is currently negotiating

payment terms with its default utility providers 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.

## **5.0 Activities of the Company and Proposal Trustee**

### **5.1 Activities of the Proposal Trustee**

1. Since the Fifth Report, the Proposal Trustee has performed the following key activities:
  - a) assisting the Company with its communications to both internal and external stakeholders;
  - b) monitoring the affairs of the Company's business including reviewing financial information with management;
  - c) corresponding and holding numerous discussions with management, Bennett Jones and DLA with respect to general filing matters;
  - d) corresponding and holding numerous discussions with various stakeholders, and/or respective legal counsel to stakeholders;
  - e) reviewing the bids received and corresponding with the Sales Agent regarding same;
  - f) reviewing the Purchase and Sale Agreements related to the February Transactions;
  - g) attending meetings with the AER, OWA, the Company and the Interim Lender to discuss the priority of the Interim Lender's Charge;
  - h) responding to calls and emails from creditors, suppliers, landowners, and other stakeholders;
  - i) maintaining the Case Website for these NOI Proceedings;
  - j) corresponding with the Interim Lender regarding the auction; and

- k) preparing this Sixth Report.

## 5.2 Activities of the Company

1. The Proposal Trustee has observed certain key activities of the Company since the Fifth Report as follows:
  - a) communicating with various stakeholders and creditors regarding the NOI Proceedings, in consultation with the Proposal Trustee;
  - b) reviewing the bids received and negotiating the Purchase and Sale Agreements;
  - c) with the assistance of the Proposal Trustee, responding to various questions by vendors;
  - d) corresponding extensively with DLA and the Proposal Trustee;
  - e) communicating on an ongoing basis with certain creditors and/or their advisors; and
  - f) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements.

## 5.3 Professional Fees

1. The Proposal Trustee seeks to have its fees and disbursements as well as those of its counsel incurred since the NOI Filing Date approved by the Court. The Proposal Trustee and its counsel have maintained detailed records of the professional time and cost.
2. The total fees for the Proposal Trustee from the NOI Filing Date to January 31, 2026, are \$371,015.50, plus disbursements of \$524.27.
3. The total fees for the Proposal Trustee's counsel from the NOI Filing Date to January 31, 2026, are \$52,445.00, plus disbursements of \$462.83.
4. A summary of the accounts rendered by the Proposal Trustee and counsel since the NOI Filing Date, is attached hereto as **Appendix "C"**. Detailed accounts have been provided to the Court. The fees are based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

5. It is the Proposal Trustee's opinion that fees and disbursements of the Proposal Trustee and its counsel accurately reflect the work done in connection with these proceedings. Further, it is the Proposal Trustee's opinion that the fees and disbursements are fair, reasonable and justified in the circumstances.

## **6.0 Administration Charge Increase**

1. The Admin Charge Order granted an initial Administration Charge in an amount not to exceed \$500,000 to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel for these NOI Proceedings.
2. The Company is seeking to increase the Administration Charge to \$750,000. The Proposal Trustee is of the view that the increased Administration Charge is required and reasonable in the circumstances given the complexities of these NOI Proceedings and the services being provided by the professionals, each of whom is necessary to further the restructuring efforts of the Company. The Company is anticipating advancing a plan to its creditors pursuant to the Share Offer and transacting on several offers to generate funds for the Company all of which will require substantial professional services to complete the restructuring proceedings.
3. As discussed above, the Company's liquidity challenges have resulted in accrued post-filing obligations, including professional fees. The professionals require an increase to the quantum of the Administration Charge in order to secure repayment of accrued professional fees 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." in a cursive 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”**

	Peyto Exploration	Obsidian
<b>Vendor</b>	Blue Sky Resources Ltd.	
<b>Purchaser</b>	Peyto Exploration & Development Corp.	Obsidan Energy Ltd. and Obsidan Energy Partnership
<b>Assets</b>	Various land and mineral properties detailed in Schedule A	Various roads detailed in Schedule A
<b>Assumed Liabilities</b>	All liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing, including Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs	
<b>Representations and Warranties</b>	Consistent with the terms of a standard insolvency transaction (i.e., on an "as is, where is" basis, with limited representations and warranties)	
<b>Material Conditions</b>	Includes, among other things, the Court's granting of the Approval and Vesting Order	
<b>Outside Date</b>	20-Mar-26	20-Mar-26
<b>Closing</b>	5 Business Days following satisfaction of all material conditions, the Parties expect that Closing will be on or about February 20, 2026.	

## **Appendix “B”**

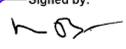
**Blue Sky Resources Ltd.**  
**Cash Flow Forecast**  
**January 26, 2026 to March 29, 2026**

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
<b>Cash Receipts</b>													
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	7,133,638
<b>Cash Disbursements</b>													
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)
<b>Other Disbursements</b>													
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)
<b>Total disbursements before professional fees</b>		<b>(7,328,930)</b>	<b>(353,401)</b>	<b>(504,573)</b>	<b>(82,500)</b>	<b>(770,645)</b>	<b>(937,300)</b>	<b>(326,573)</b>	<b>(64,000)</b>	<b>(12,500)</b>	<b>(3,252,708)</b>	<b>(6,304,200)</b>	<b>(13,633,130)</b>
<b>Professional Fees</b>													
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)
<b>Total Professional Fees</b>		<b>(441,277)</b>	<b>-</b>	<b>(112,500)</b>	<b>-</b>	<b>(387,500)</b>	<b>-</b>	<b>(275,000)</b>	<b>-</b>	<b>-</b>	<b>(480,000)</b>	<b>(1,255,000)</b>	<b>(1,696,277)</b>
<b>Net cash flow</b>		<b>(1,547,398)</b>	<b>(353,401)</b>	<b>(617,073)</b>	<b>(82,500)</b>	<b>(1,158,145)</b>	<b>(326,471)</b>	<b>(601,573)</b>	<b>(64,000)</b>	<b>(12,500)</b>	<b>(3,432,708)</b>	<b>(6,648,371)</b>	<b>(8,195,769)</b>
<b>Interim financing</b>													
Interim financing advances / (repayments)	Note 7	1,890,874	-	505,000	-	-	-	-	-	-	-	505,000	2,395,874
<b>Asset sales</b>													
Proceeds from asset sales		700,000	-	-	-	2,000,000	-	-	-	-	3,100,000	5,100,000	5,800,000
<b>Closing cash balance</b>		<b>1,070,665</b>	<b>717,264</b>	<b>605,191</b>	<b>522,691</b>	<b>1,364,546</b>	<b>1,038,075</b>	<b>436,502</b>	<b>372,502</b>	<b>360,002</b>	<b>27,294</b>	<b>27,294</b>	<b>27,294</b>

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.

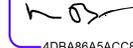
The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 1 to 8.

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

**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 1<sup>st</sup> day of February, 2026, consisting of a weekly cash flow statement for the period January 26, 2026 to March 29, 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 1<sup>st</sup> day of February, 2026.

**KSV RESTRUCTURING INC.  
TRUSTEE**

*KSV Restructuring Inc.*

Per: Andrew Basi, Managing Director

## **Appendix “C”**

**Blue Sky Resources Ltd.**  
**Schedule of Professional Fees**

Invoice #	Date	Professional Fees (\$)	Disbursements (\$)	Subtotal (\$)	GST (\$)	Total Fees (\$)
<b>Proposal Trustee's Fees</b>						
Invoice #4700	Monday, October 6, 2025	41,920.00	-	41,920.00	2,096.00	44,016.00
Invoice #4772	Wednesday, November 5, 2025	113,231.50	-	113,231.50	5,661.58	118,893.08
Invoice #4865	Monday, December 8, 2025	45,576.50	21.91	45,598.41	2,279.92	47,878.33
Invoice #4932	Thursday, January 8, 2026	69,894.50	502.36	70,396.86	3,519.84	73,916.70
Invoice #5073	Tuesday, February 10, 2026	100,393.00	-	100,393.00	5,019.65	105,412.65
<b>Total Proposal Trustee's Fees</b>		<b>371,015.50</b>	<b>524.27</b>	<b>371,539.77</b>	<b>18,576.99</b>	<b>390,116.76</b>
<b>Proposal Trustee's Legal Counsel Fees:</b>						
Invoice 1654675	Tuesday, September 30, 2025	2,552.00	-	2,552.00	127.60	2,679.60
Invoice 1660403	Friday, November 7, 2025	22,296.00	68.83	22,364.83	1,118.24	23,483.07
Invoice 1667791	Monday, December 15, 2025	11,269.50	310.00	11,579.50	577.98	12,157.48
Invoice 1677615	Friday, February 6, 2026	16,327.50	84.00	16,411.50	819.38	17,230.88
<b>Total Proposal Trustee's Legal Counsel Fees</b>		<b>52,445.00</b>	<b>462.83</b>	<b>52,907.83</b>	<b>2,643.20</b>	<b>55,551.03</b>