

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

BluSky Carbon Inc. (the “Company”)
35 Research Parkway,
Old Saybrook, CT 06475
United States

Item 2 Date of Material Change

July 29, 2024

Item 3 News Release

The Company disseminated a news release announcing the material change described herein through the news dissemination services of AccessWire on August 1, 2024, and a copy was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

The Company announced that it has granted stock options (“Options”) and restricted share units (“RSUs”) to certain employees and a director/officer of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has granted an aggregate of 5,046,000 Options to certain employees and a director/officer at an exercise price of \$0.58, expiring five years from the date of grant. The Options are subject to vesting provisions corresponding to the achievement of certain milestones.

In addition, the Company granted an aggregate of 1,201,538 RSUs to certain employees and a director/officer, subject to vesting provisions.

The Options and RSUs were granted in accordance with the Company's equity incentive plan and are subject to a hold period of four months commencing on the date of grant in accordance with the policies of the Canadian Stock Exchange.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact William Hessert, Chief Executive Officer of the Company, at (860) 577-2080 or via email to info@bluskycarbon.com.

Item 9 Date of Report

August 7, 2024