

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

October 15, 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 October 15, 2024 and a copy was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

On October 15, 2024, the Company announced that it intends to complete a private placement offering (the “**Offering**”) of up to 6,000,000 special warrants of the Company (the “**Special Warrants**”) at a price of \$0.50 per Special Warrant (the “**Offering Price**”), for gross proceeds of up to \$3,000,000.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it intends to complete the Offering of up to 6,000,000 Special Warrants at the Offering Price, for gross proceeds of up to \$3,000,000.

Each Special Warrant will entitle the holder thereof to receive, for no additional consideration and subject to customary anti-dilution adjustments, one unit of the Company (a “**Unit**”) on the earlier of: (i) four months and one day following the closing date of the Offering, or (ii) the third business day after the Company obtains a receipt for a final prospectus qualifying the distribution of the Units issuable upon the conversion of the Special Warrants (which prospectus may be in the form of a base shelf prospectus and supplement thereto).

Each Unit will be comprised of one common share of the Company (a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one Common Share (each, a “**Warrant Share**”) at an exercise price of \$0.65 for a period of 24 months.

The net proceeds raised under the Offering will be used for corporate development and for general working capital purposes.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals. Closing of the Offering is expected to be on or about the week of November 18, 2024 (the “**Closing**”).

The Company also announced, with reference to its news release dated October 11, 2024, that the services to be provided to the Company by DSS-Digital Service Solution GmbH (“**DSS**”), as referenced in the

October 11, 2024 news release, are expected to continue for a period of 30 days; provided, however, that the Company may elect to extend such services at its discretion by paying a further fee to DSS. The Company will issue a press release in the event it elects to proceed with such extension.

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

October 22, 2024