

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This Prospectus Supplement, together with the short form base shelf prospectus dated November 20, 2024 (the “**Prospectus**”) to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this Prospectus Supplement and the Prospectus, as amended or supplemented, constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Neither this Prospectus Supplement, nor the Prospectus, as amended or supplemented, and the documents incorporated or deemed to be incorporated by reference therein, as amended or supplemented, constitutes an offer to sell or the solicitation of an offer to buy any securities in the United States. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States of America, its territories, possessions or the District of Columbia (the “**United States**”), and may not be offered, sold or delivered in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Neither this Prospectus Supplement, nor the Prospectus and the documents incorporated or deemed to be incorporated by reference therein, constitutes an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “*Plan of Distribution*”.

Information has been incorporated by reference in this Prospectus Supplement and the Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of BluSky Carbon Inc. at 221-998 Harbourside Drive, North Vancouver, British Columbia, V7P 3T2, Canada, telephone +1 (860) 577-2080 and are also available electronically at www.sedarplus.ca.

New Issue

December 4, 2024

PROSPECTUS SUPPLEMENT

TO THE SHORT FORM BASE SHELF PROSPECTUS DATED NOVEMBER 20, 2024

BLUSKY CARBON INC.

Up to \$3,000,000

Up to 6,000,000 Units Price:

\$0.50 per Unit

This prospectus supplement (this “**Prospectus Supplement**”), together with the Prospectus, qualifies the distribution and offering of up to 6,000,000 units (each, a “**Unit**” and, collectively, the “**Units**”) of BluSky Carbon Inc. (the “**Company**”) at a price of \$0.50 per Unit (the “**Offering Price**”) for aggregate total gross proceeds of up to \$3,000,000 (the “**Offering**”). Each Unit will consist of one common share (each, a “**Common Share**”) of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share (each, a “**Warrant Share**”) at an exercise price of \$0.65 for a period of 24 months following the completion of the Offering. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on or before the Closing Date (as defined below) between the Company and Odyssey Trust Company, as warrant agent (the “**Warrant Agent**”). See “*Description of Securities*”.

This Offering is not underwritten or guaranteed by any person. The Agent, on behalf of the Company, and any selling group members conditionally offers the Units on a “best efforts” agency basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the agency agreement dated December 4, 2024 (the “**Agency Agreement**”) entered into between the Company and Canaccord Genuity Corp. as agent and sole bookrunner (the “**Agent**”). The Agent shall be permitted to appoint a soliciting dealer group of other registered dealers acceptable to the Company for the purpose of arranging for purchases of Units under the Offering.

The terms of the Offering, including the Offering Price, were determined by an arm’s length negotiation between the Company and the Agent with reference to the prevailing market price of the Common Shares on the Canadian Securities Exchange (“**CSE**”) in the context of the market. See “*Plan of Distribution*”.

The issued and outstanding Common Shares in the authorized share structure of the Company are listed on the CSE under the symbol “BSKY”. On December 3, 2024, the last full trading day on the CSE prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$0.4550.

The Company will use its best efforts to obtain the necessary approvals to list the Common Shares, the Warrant Shares and the Agent’s Warrant Shares (as such term is defined below) on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE.

There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering set out above.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus Supplement. In addition, the Warrants will not be listed for trading on the CSE or any other stock exchange following the closing of the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the Warrants and the extent of issuer regulation. See “Risk Factors”.

	<u>Price to the Public (\$)</u>	<u>Agent’s Fee⁽¹⁾⁽²⁾ (\$)</u>	<u>Net Proceeds to the Company⁽³⁾ (\$)</u>
Per Unit	\$0.50	\$0.025	\$0.475
Total Offering ⁽⁴⁾⁽⁵⁾	Up to \$3,000,000	Up to \$150,000	Up to \$2,850,000

Notes:

- 1) Pursuant to the Agency Agreement, the Company has agreed to pay to the Agent, on the Closing Date (the “Agent’s Fee”), (a) a cash commission (the “Cash Commission”) equal to 5% of the gross proceeds of the Offering including, for greater certainty, the gross proceeds of the Over-Allotment Option (as defined below), if any, payable in cash, (b) issue to the Agent that number of Agent’s Warrants (the “Agent’s Warrants”), exercisable at any time at a price of \$0.50 per Agent’s Warrant from the Closing Date to the date that is 24 months from the Closing Date to acquire in aggregate that number of Common Shares (“Agent’s Warrant Shares”) which is equal to 5% of the number of Units sold pursuant to the Offering; and (c) pay to the Agent, on the Closing Date, a fee equal to 2% of the gross proceeds of the Offering, payable in cash, Units or any combination thereof at the option of the Agent, and such additional number of Agent’s Warrants as is equal to 2% of the aggregate number of Units issued pursuant to the Offering (the “Corporate Finance Fee”). This Prospectus Supplement also qualifies the distribution of the Agent’s Warrants and the Common Shares underlying the Agent’s Warrants. See “Plan of Distribution”.
- 2) Assuming no orders (“President’s List Orders”) from purchasers designated by the Company (the “President’s List”).
- 3) After deducting the Agent’s Fee, assuming such fee is paid in cash, but before deducting the Corporate Finance Fee and the expenses of the Offering, estimated to be \$200,000 (exclusive of taxes and disbursements, but including legal and audit fees and other expenses of the Company and expenses and legal fees of the Agent), which, together with the Agent’s Fee, will be paid by the Company from the gross proceeds of the Offering. See “Plan of Distribution”.
- 4) The Agent has been granted an over-allotment option, exercisable in whole or in part in the sole discretion of the Agent for a period of 30 days from and including the Closing Date (the “Over-Allotment Deadline”), to purchase up to an additional 900,000 units (the “Over-Allotment Units”) at the Offering Price to cover the Agent’s over-allocation position, if any, and for market stabilization purposes (the “Over-Allotment Option”). The Over-Allotment Option may be exercised by the Agent to acquire: (i) up to 900,000 Over-Allotment Units at the Offering Price; (ii) up to 900,000 additional Common Shares (the “Over-Allotment Shares”) at a price of \$0.49 per Over-Allotment Share (the “Over-Allotment Share Price”); (iii) up to 450,000 additional Warrants (the “Over-Allotment Warrants”) at a price of \$0.01 (being \$0.005 per each half Over-Allotment Warrant) per Over-Allotment Warrant (the “Over-Allotment Warrant Price”); or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares at the Over-Allotment Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Shares that may be issued under such Over-Allotment Option does not exceed 900,000 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 450,000. The Over-Allotment Option is exercisable by the Agent giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Agent’s Fee” and “Net Proceeds to the Company” will be \$3,450,000, \$172,500 and \$3,277,500, respectively. The Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Agent’s over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants under the Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.
- 5) Assuming the Offering is fully subscribed, but there is no exercise of the Over-Allotment Option.

The following table sets forth the information in connection with the Over-Allotment Option and the Agent's Warrants:

Agent's Position	Maximum Number of Securities Available	Exercise Period	Price Per Security / Exercise Price
Over-Allotment Option ⁽¹⁾	Up to 900,000 Units	Exercisable in whole or in part, at any time, and from time to time, for a period of 30 days following the Closing Date	\$0.50 per Over-Allotment Unit
Agent's Warrants ⁽²⁾	Up to 345,000 Agent's Warrants	Exercisable at any time prior to the date that is 24 months from the Closing Date	\$0.50 per Agent's Warrant
Additional Agent's Warrants ⁽²⁾⁽³⁾	Up to 120,000 Agent's Warrants	Exercisable at any time prior to the date that is 24 months from the Closing Date	\$0.50 per Agent's Warrant

Notes:

- 1) This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of any Over-Allotment Units issued upon exercise of the Over-Allotment Option. See "*Plan of Distribution*".
- 2) Assuming the exercise in full of the Over-Allotment Option.
- 3) Issuable as part of the Corporate Finance Fee.

Investing in the Units is speculative and involves significant risks and should only be made by persons who can afford the total loss of their investment. Prospective purchasers should therefore carefully review this Prospectus Supplement together with the Prospectus and the documents incorporated by reference herein and therein in their entirety, which can be found on SEDAR+ (as defined below) at www.sedarplus.ca, before purchasing the Units. See "*Risk Factors*" in this Prospectus Supplement along with the risk factors described in the Prospectus. Prospective purchasers should carefully review and evaluate the risk factors described in the documents incorporated or deemed to be incorporated by reference in the Prospectus. See "*Documents Incorporated by Reference*".

Purchasers of the Units should be aware that the acquisition, holding or disposition of the Units may have tax consequences in Canada. Such consequences for purchasers who are resident in Canada may not be described fully herein. Prospective purchasers should rely only on the information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein. Neither the Company nor the Agent have authorized anyone to provide information different from that contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein. The Agent is offering to sell and seeking offers to buy the Units only in jurisdiction(s) where, and to person(s) to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus Supplement is accurate as of any date other than the date on the cover page of this Prospectus Supplement. See "*General Matters*".

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Units, Warrants, Warrant Shares and/or other aspects of an investment in the Units. See "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax*".

Considerations”.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Agent reserves the right to close the subscription books at any time without notice. There can be no assurance that any or all of the Units being offered will be sold. Closing of the Offering is expected to take place on or about December 19, 2024 or on such other date as may be mutually agreed upon by the Company and the Agent, acting reasonably (the “**Closing Date**”).

It is anticipated that the Units and the Common Shares (as defined below) and the Warrants comprising the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form or will otherwise be delivered to the Agent registered as directed by the Agent, on the Closing Date. Except in certain limited circumstances, a purchaser of Units will receive only a customer confirmation from the Agent or registered dealer from or through whom the Units are purchased and who is a CDS depository service participant (a “**Participant**”). CDS will record the Participants who hold the Units on behalf of owners who have purchased Units in accordance with the book-based system. No certificates evidencing the Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS.

Notwithstanding the foregoing, any and all Common Shares, Warrants, and any Warrant Shares, offered and sold in the United States or to or for the account or benefit of U.S. Persons who are “accredited investors” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act (“**U.S. Accredited Investors**”) will be issued in certificated, individually registered form. See “*Plan of Distribution*”.

As part of the Offering, the Company has the right to issue to investors on the President’s List, concurrent with the closing of the Offering, up to 2,000,000 Units at the Offering Price for gross proceeds to the Company of up to \$1,000,000 (previously defined as “**President’s List Orders**”). The Agent will receive no Cash Commission in respect of the gross proceeds of the President’s List Orders.

The Units, the Common Shares, the Warrants, the Warrant Shares, the Agent’s Warrants, and the Agent’s Warrant Shares issuable upon exercise of the Agent’s Warrants have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Neither this Prospectus Supplement, nor the Prospectus and the documents incorporated or deemed to be incorporated therein, constitutes an offer to sell or a solicitation of an offer to buy any of the Units, the Common Shares, the Warrants, the Warrant Shares, the Agent’s Warrants or the Agent’s Warrant Shares in the United States. See “*Plan of Distribution*”.

Subject to applicable laws, the Agent may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Units, at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

The Company’s head office is located at 221-998 Harbourside Drive, North Vancouver, British Columbia, V7P 3T2, Canada.

Securities legislation in some provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. Information with respect to a purchaser’s right to withdraw from or rescind an agreement to purchase Securities is provided below. See “*Purchaser’s Statutory Rights*” and “*Purchaser’s Contractual Rights*” in the Prospectus.

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NOTICE TO READERS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part is the Prospectus, which gives more general information, some of which may not apply to the Offering.

This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, the “Company” and “BluSky” refers to BluSky Carbon Inc. and its wholly-owned subsidiary, Bluski Inc.

Prospective purchasers should rely only on the information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein. Neither the Company nor the Agent have authorized anyone to provide information different from that contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein. The Company is not making an offer to sell or seeking offers to buy the Units in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, is accurate as of the date of the document in which it appears, regardless of the time of delivery of the Prospectus, as supplemented by this Prospectus Supplement, or of any sale of the Units. The Company’s business, financial condition, results of operations and prospects may have changed since that date. To the extent there is a conflict between information contained in this Prospectus Supplement and information contained in the accompanying Prospectus or any document incorporated by reference herein or therein, you should rely on the information contained in this Prospectus Supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date—for example, a document incorporated by reference into this Prospectus Supplement or the accompanying Prospectus—the statement in the document having the later date modifies or supersedes the earlier statement.

All currency amounts in this Prospectus Supplement are stated in Canadian dollars, unless otherwise noted. Unless otherwise indicated, all financial information included in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), which are also generally accepted accounting principles for publicly accountable enterprises in Canada.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and prospective purchasers should review all information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated by reference therein.

Information on or connected to the Company’s website, even if referred to in this Prospectus Supplement, the Prospectus or the documents incorporated or deemed to be incorporated therein, does not constitute part of this Prospectus Supplement, the Prospectus or the documents incorporated or deemed to be incorporated therein.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

NON-IFRS MEASURES

This Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, may contain terms which do not have a standardized meaning under IFRS and therefore may not be comparable with the calculation of similar measures by other companies.

THIRD PARTY INFORMATION

This Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, may include market and industry data and other statistical information that the Company has obtained from independent industry publications and surveys, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes these sources to be reliable, the Company has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon therein. Some data are also based on the Company's estimates, which are derived from the Company's review of internal data, as well as independent sources. The Company cannot and does not provide any assurance as to the accuracy or completeness of such included information. Market forecasts, in particular, are likely to be inaccurate, especially over long periods of time. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein are "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). All statements, other than statements of historical fact that address activities events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by: the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend"; statements that an event or result is "due" on or "may", "will", "should", "could", or "might" occur or be achieved; and, other similar expressions. Forward-looking statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. The Company does not intend, and disclaims any obligation, to update any forward-looking statements after it files this Prospectus Supplement, whether as a result of new information, future events or otherwise, except as required by the securities laws. These forward-looking statements are made as of the date of this Prospectus Supplement. These forward-looking statements include, among other things, statements relating to:

- the completion of the Offering and the size and timing thereof;
- the exercise of the Over-Allotment Option;
- whether any sales are made to investors on the President's List;
- the use of the net proceeds of the Offering;
- the Company's business objectives and research and development activities;

- the listing of the Common Shares, Warrant Shares and the Agent's Warrant Shares;
- obtaining all required regulatory (including CSE) and other approvals in connection with the Offering;
- securities issued by the Company, including the Common Shares;
- high level of price and volume volatility in the capital markets;
- no dividends for the foreseeable future;
- risks associated with foreign operations;
- risks associated with acquisitions;
- competition in the Company's industry;
- exposure to information systems and cyber security threats;
- changes in laws, regulations, and guidelines relating to the Company's business, tax (including carbon taxes) and accounting requirements;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- reliance on secondary industries;
- expectations with respect to future production costs and capacity;
- the Company's expectation that available funds will be sufficient to cover its expenses over the next twelve (12) months;
- limited public company experience of management;
- the Company's expected business objectives and milestones, including costs of the foregoing, for the next twelve (12) months;
- adoption of new business models;
- delays due to shortage of raw materials;
- availability of raw materials;
- rapid technological change in the Company's industry;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- obligations of the Company and other parties to contracts entered into by the Company;
- expectations regarding product safety, defects and efficacy;

- expectations regarding acceptance of products and technologies by the market;
- expectations about technical and regulatory milestones being achieved;
- disease outbreaks;
- uninsured liabilities;
- the ability of the Company to hire and retain employees and consultants;
- failure to protect and maintain, and the consequential loss of intellectual property rights;
- ability to secure governmental support and financial assistance;
- failure to adhere to financial reporting obligations and other public company requirements;
- conflicts of interest;
- the intentions of the Company's board of directors (the "**Board**") with respect to executive compensation plans and corporate governance plans described herein;
- the Company's ability to protect its intellectual property and to develop, maintain and enhance a strong brand; and
- the Company's ability to compete in a highly competitive and evolving industry.

Certain of the forward-looking statements and other information contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein concerning the Company's industry and the markets in which it operates, including the Company's general expectations and market position, market opportunities and market share, is based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the carbon capture technology industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the availability of financing on reasonable terms; (v) the Company's ability to attract and retain skilled staff; (vi) market competition; (vii) the products and technology offered by the Company's competitors; (viii) that good relationships with service providers and other third parties will be established and maintained; (ix) continued growth of the carbon capture technology industry; and (x) positive public opinion with respect to the carbon capture technology industry. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors" in the Company's annual information form, which include:

- the Company has a limited operating history, which makes it difficult to evaluate its business prospects;
- the Company has a negative cash flow;
- the Company's financial position and results of operations may differ materially from expectations;
- the Company expects to incur future losses and may never become profitable;
- the Company may require additional capital to continue its operations;
- some of the Company's operations may rely on third-party service providers;
- the Company faces strong competition from competitors in the carbon capture technology industry, including competitors who could duplicate or supplant the Company's model;
- continuing technological changes in relation to carbon capture technology could adversely affect adoption of current carbon capture technology and/or the Company's products;
- the supply and demand for the reduction of carbon emissions;
- product defects or improper installation could result in recalls and replacements, damages to reputation and lost revenue as well as possible liability for injury or damages;
- the Company could be exposed to product liability claims;
- the Company may face growth-related risks;
- the Company may face risks related to strategic acquisitions in the future;
- changes in regulatory environment could adversely affect the ability of the Company to continue providing its services;
- economic inflationary pressures may increase the Company's costs;
- the Company's internal estimates are based on market forecasts which may prove to be inaccurate;
- the size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- the Company is subject to pandemic related risks;
- any supply chain disruptions or shortages affecting the Company's suppliers, could adversely affect the Company's business and operating results;
- failure to develop the Company's internal controls over financial reporting as the Company grows could have an adverse impact;
- if the Company is unable to hire, retain or motivate key personnel, consultants, independent contractors, and advisors, it may not be able to grow effectively;
- unfavorable global economic conditions could adversely affect the Company's business, financial condition or results of operations;

- the Company could incur material losses relating to cyber-attacks or other information security breaches in the future;
- the Company may be forced to defend against claims by third parties against the Company relating to intellectual property rights;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may suffer uninsured losses;
- the Company may not achieve its publicly announced milestones according to schedule, or at all;
- the Company's ability to retain customers or sell additional products and services to existing customers could suffer if its customer support is inadequate;
- existing and future environmental health and safety laws and regulations could result in increased compliance costs or additional operating costs or construction costs and restrictions. Failure to comply with such laws and regulations may result in substantial fines or other limitations that may adversely impact the Company's financial results or results of operation;
- failure to comply with United States federal and state laws relating to employment could subject the Company to penalties and other adverse consequences;
- changes to applicable United States tax laws and regulations or exposure to additional income tax liabilities could affect the Company's business and future profitability;
- the Company's executive officers and directors own approximately 27.70% of its Common Shares as of the date of this Prospectus Supplement;
- the Company may be subject to various potential conflicts of interest;
- there may not continue to be a liquid market for the Common Shares;
- the Company will need to raise additional capital and issue additional securities;
- as the Company issues additional Common Shares, shareholders will experience dilution in their ownership of the Company;
- the market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;
- the Company does not intend to pay dividends and there will thus be fewer ways in which the investors are able to make a gain on their investment;
- the Company may vary from its disclosed intended use of proceeds;
- the Company may lose its status as a foreign private issuer in the United States, which would result in increased costs related to regulatory compliance under United States securities laws;
- an investment in the Company's securities may have income tax consequences; and
- other factors discussed under "*Risk Factors*".

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Company. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled “Risk Factors” in the Company’s annual information form dated October 16, 2024, a copy of which is incorporated herein by reference and available through the System for Electronic Data Analysis and Retrieval+ (“SEDAR+”) website at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

These forward-looking statements are based on the beliefs of the Company’s management as well as on assumptions, which the Company’s management believes to be reasonable based on information currently available at the time such statements were made. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements contained in this Prospectus Supplement are made as of the date of this Prospectus Supplement and, accordingly, are subject to change after such date. Except as otherwise indicated by the Company, these statements do not reflect the potential impact of any non-recurring or other special items or of any disposition, monetization, merger, acquisition, other business combination or other transaction that may be announced or that may occur after the date hereof. The Company does not intend or undertake to publicly update any forward-looking statements that are included in this Prospectus Supplement, the Prospectus or the documents incorporated by reference herein, whether as a result of new information, future events or otherwise, except in accordance with applicable securities law.

CAUTIONARY NOTE REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION

This Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein also contains future-oriented financial information and outlook information (collectively, “FOFI”). This information is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. FOFI contained in this Prospectus Supplement, the Prospectus and/or the documents incorporated or deemed to be incorporated therein, as applicable, are made as of the date hereof or as of the date of such documents incorporated by reference, as the case may be, and are being provided for the purpose of providing further information with respect to the future financial outlook of the Company. The Company disclaims any intention or obligation to update or revise any FOFI contained in this Prospectus Supplement, the Prospectus and/or the documents incorporated or deemed to be incorporated therein, as applicable, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that FOFI contained in this Prospectus Supplement, the Prospectus and/or the documents incorporated or deemed to be incorporated therein, as applicable, should not be used for purposes other than for which it is disclosed herein.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated or deemed to be incorporated therein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 221-998 Harbourside Drive, North Vancouver, British Columbia, V7P 3T2, Canada, telephone +1 (860) 577 2080. In addition, copies of the documents incorporated or deemed to be incorporated herein by reference may be obtained from the securities commissions or similar authorities in Canada through SEDAR+.

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Offering.

The following documents of the Company, filed with the various securities commissions or similar authorities in each of the provinces of Canada where the Company is a reporting issuer, are specifically incorporated by reference into the Prospectus and form an integral part of this Prospectus Supplement:

- (a) the Company's annual information form dated October 16, 2024 (the "**AIF**");
- (b) the Company's condensed interim consolidated financial statements (as re-filed on October 11, 2024) and management discussion and analysis (as filed on July 29, 2024) for the three and nine months ended May 31, 2024;
- (c) the audited financial statements of Bluski Inc. ("**Bluski**") for the years ended August 31, 2023 and 2022 included in schedule B to the final long form prospectus of the Company dated May 27, 2024 and filed on SEDAR+ on May 28, 2024 (the "**Long Form Prospectus**");
- (d) management's discussion and analysis for Bluski for the year ended August 31, 2023 included in schedule B to the Long Form Prospectus;
- (e) the audited financial statements and management's discussion and analysis of the Company for the period from incorporation on July 25, 2023 to March 31, 2024 included in schedule A to the Long Form Prospectus;
- (f) the disclosure in the Long Form Prospectus under the headings "Executive Compensation", "Directors and Executive Officers", "Indebtedness of Directors and Executive Officers" and "Options to Purchase Securities", excluding the sentence "As of the date of this Prospectus, no Awards have been issued by the Company under the Plan";
- (g) the material change report of the Company dated June 21, 2024, announcing the Company's Common Shares have been listed for trading on the CSE;
- (h) the material change report of the Company dated June 21, 2024, announcing that the Company closed its initial public offering;
- (i) the material change report of the Company dated July 18, 2024, announcing that Company's CEO, Mr. William Hessert joined the board of the US Biochar Coalition, an organization aiming to elevate awareness among the public, policy makers, and end markets of the biochar industry;
- (j) the material change report dated August 7, 2024 announcing that the Company granted stock options and restricted share units ("**RSUs**") to certain employees and a director/officer of the Company;
- (k) the material change report dated August 9, 2024 announcing that the Company entered into a binding letter of intent with Glen Scharer and Carbon Alliance Group Inc. ("**Carbon Alliance**") dated August 9, 2024, to acquire from Glen Scharer of all of the issued and outstanding shares of Carbon Alliance;
- (l) the material change report dated September 6, 2024 announcing that the Company granted stock options and RSUs to certain employees and a director/officer of the Company. Thereafter, on August 29, 2024, the Company announced that, further to its August 9, 2024 news release, it terminated the letter of intent with Carbon Alliance;

- (m) the material change report of the Company dated September 25, 2024, announcing that the Company entered into a sales agreement with a U.S. based purchaser pursuant to which the Company has agreed to supply up to 382,213 tonnes of biochar over a period of 10 years; and
- (n) the material change report of the Company dated October 22, 2024, announcing that the Company intends to complete a private placement offering of up to 6,000,000 special warrants of the Company (the “**Special Warrants**”) at a price of \$0.50 per Special Warrant, for gross proceeds of up to \$3,000,000.

In addition, the template version of the term sheet of the Company related to the Offering dated December 4, 2024 and filed December 4, 2024 is hereby incorporated into and forms part of this Prospectus Supplement.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in the Prospectus, including any annual information form, audited annual consolidated financial statements (together with the auditor’s report thereon), information circular, unaudited interim consolidated financial statements, management’s discussion and analysis, material change reports (excluding confidential material change reports) or business acquisition reports, as well as all prospectus supplements disclosing additional or updated information relating to the Offering, filed by the Company with securities commissions or similar authorities in the relevant provinces of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference in the Prospectus. These documents are available through the internet on SEDAR+ at www.sedarplus.ca.

Any statement contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, shall be deemed to be modified or superseded for the purposes of the Prospectus, as supplemented hereby to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference in the Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement and/or the Prospectus, as the case may be.

MARKETING MATERIALS

Any “marketing materials” (as defined in National Instrument 41-101 — *General Prospectus Requirements* (“**NI 41-101**”)) are not part of this Prospectus Supplement or the Prospectus to the extent that the contents thereof have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment hereof. Any “template version” (as defined in NI 41-101) filed with the securities commission or similar authority in the provinces of Alberta, British Columbia and Ontario in connection with the Offering after the date hereof but prior to the termination of the distribution of the Units under this Prospectus Supplement (including any amendments to, or an amended version of, any template version of marketing materials) is deemed to be incorporated by reference into this Prospectus Supplement and in the Prospectus.

SUMMARY DESCRIPTION OF THE BUSINESS OF BLUSKY CARBON CORP.

The principal business of the Company is converting organic and industrial wastes into biochar, renewable power, and carbonate rocks.

Further details concerning the Company, including information with respect to the Company's assets, operations and history, are provided in the Prospectus and in the other documents incorporated by reference into this Prospectus Supplement and the Prospectus, including the AIF. Readers are encouraged to thoroughly review these documents as they contain important information about the Company.

DESCRIPTION OF SECURITIES

Offering

The Offering consists of up to 6,000,000 Units, in any case for aggregate gross proceeds of up to \$3,000,000 (assuming no exercise of the Over-Allotment Option). Each Unit will consist of one Common Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase one Warrant Share at an exercise price of \$0.65 for a period of 24 months following the completion of the Offering.

The Units will separate into Common Shares and Warrants immediately upon the closing of the Offering. The Units are offered at the Offering Price of \$0.50 per Unit.

This Prospectus Supplement qualifies the distribution of the Units, including the Common Shares and the Warrants, the distribution of the Agent's Warrants, the grant of the Over-Allotment Option and the Over-Allotment Units, including the Over-Allotment Shares and the Over-Allotment Warrants.

Authorized Share Capital

The authorized share structure of the Company consists of an unlimited number of Common Shares. As of the date of this Prospectus Supplement, there are an aggregate of 67,256,456 Common Shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board. The holders of Common Shares are entitled to one vote per Common Share at meetings of the shareholders and, upon liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, to share equally in such assets of the Company as are distributable to the holders of the Common Shares.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions and there are no provisions which are capable of requiring a securityholder to contribute additional capital.

Common Shares may also be issuable on exercise of the Warrants qualified for issuance under this Prospectus Supplement.

Warrants

The following is a summary of the material attributes and characteristics of the Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR+ at www.sedarplus.ca.

Each whole Warrant will be transferable and will entitle the holder thereof, to acquire one Warrant Share at an exercise price of \$0.65 per Warrant Share at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date, subject to adjustment in certain customary events, after which time the Warrants will expire.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Company and the Warrant Agent. The Company will appoint the principal transfer office of the Warrant Agent in its Vancouver office, as the location at which the Warrants may be surrendered for exercise, transfer or exchange.

The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the executed Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants, which will be filed on SEDAR+ under the issuer profile of the Company at www.sedarplus.ca. A register of holders of Warrants will be maintained at the principal offices of the Warrant Agent in Vancouver, British Columbia. The holders of Warrants will not, as such, have any voting right or other right attached to the Warrant Shares unless and until the Warrants are duly exercised as provided for in the Warrant Indenture.

The Warrant Indenture will provide that the number of Warrant Shares which may be acquired by a holder of Warrants upon the exercise thereof will be subject to anti-dilution provisions governed by the Warrant Indenture, including provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of any outstanding warrants, options or other convertible securities);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares; and
- (d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price" (as will be defined in the Warrant Indenture) of Common Shares on such record date; and the issuance or distribution to all or substantially all of the holders of Common Shares of (i) securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or property or assets or (ii) any property or assets, including evidences of indebtedness.

The Warrant Indenture will also include provisions for the appropriate adjustment of the class, number and price of the securities issuable under the Warrant Indenture upon the occurrence of the following additional events:

- (a) the reclassification of the Common Shares or exchange or change of the Common Shares into other shares;
- (b) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any

reclassification of the outstanding Common Shares or an exchange or change of the Common Shares into other shares); and

- (c) the transfer of the Company's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

The Warrant Indenture will provide that: (i) no adjustment to the exercise price for the Warrants will be required to be made unless such adjustment would result in a change of at least 1% in the exercise price for the Warrants; and (ii) no adjustment to the number of Warrant Shares issuable upon exercise of the Warrants will be required to be made unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share.

The Company will covenant in the Warrant Indenture, during the period in which the Warrants are exercisable, to give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, a prescribed number of days prior to the record date or effective date, as the case may be, of such event.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, will be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on legal counsel, the rights of the holders of Warrants, as a group, are not prejudiced thereby. Subject to the voting rights set forth in the Warrant Indenture, the rights of holders of the Warrants may, in certain circumstances, be modified by way of an extraordinary resolution passed by the affirmative vote of the holders of not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants at a meeting duly called and held in accordance with the terms of the Warrant Indenture at which there are present in person or by proxy at least two holders representing at least 25% of the aggregate number of all the then outstanding Warrants.

The Warrant Indenture will also provide that in the event of an extraordinary transaction, as described in the Warrant Indenture and generally including any merger, arrangement or amalgamation of the Company with or into another entity, sale of all or substantially all of the Company's assets, tender offer or exchange offer, or reclassification of the Common Shares, the holders of the Warrants will generally be entitled to receive upon exercise of the Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Warrants immediately prior to such extraordinary transaction.

The Warrant Indenture will include certain beneficial ownership limitations under which Warrants will not be exercisable to the extent that, after giving effect to the issuance of the Warrant Shares issuable upon such exercise of the Warrants, the holder, together with its affiliates and other persons acting as a group with the holder or any of its affiliates, would beneficially own in excess of 4.99% of the number of Common Shares outstanding immediately after giving effect to such issuance. Such beneficial ownership limitation may be increased or decreased by the holder upon notice to the Company, to a maximum of 9.99%. To the extent the beneficial ownership limitations apply, the determination of whether a Warrant is exercisable and of which portion of a Warrant is exercisable shall be in the sole discretion and at the sole responsibility of the holder, and the submission of an exercise notice in respect of any Warrants shall be deemed to be the holder's determination of whether the Warrants are exercisable, and neither the Warrant Agent nor the Company will have any obligation to verify or confirm the accuracy of such determination.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrants may not be exercised in the United States, or by or for the account of a U.S. Person or a person in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company; provided, however, that a U.S. Accredited Investor that purchased the Warrants from the Company pursuant to Rule 506(b) under Regulation D of the U.S. Securities Act for its own account will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account, if any, if it was a U.S. Accredited Investor at the time of its purchase and exercise of the Warrants.

Warrant Shares

Holders of the Warrant Shares are entitled, as holders of Common Shares, to receive notice of and to attend all meetings of the shareholders of the Company and have one vote for each Common Share held at all meetings of the shareholders of the Company.

All of such Common Shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. None of such Common Shares are subject to any call or assessment nor preemptive or conversion rights.

Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Company.

The Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued representing such securities (if any) may bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may be offered, sold, pledged or otherwise transferred only pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

The Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Warrant Shares, if any, will not be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and provided that, subject to certain exceptions, the Company has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Company, provided, however, that a holder who is a Qualified Institutional Buyer or a U.S. Accredited Investor at the time of exercise of the Warrants who originally purchased the Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to the terms of the Agency Agreement will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

Agent’s Warrants

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Agent such number of Agent’s Warrants as is equal to 5% of the aggregate number of Units issued pursuant to the Offering (including any Units issued on the exercise of the Over-Allotment Option). In addition, the Company has agreed to issue to the Agent, such additional number of Agent’s Warrants as is equal to 2% of the aggregate number of Units issued pursuant to the Offering. Each Agent’s Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.50 per Agent’s Warrant for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. The certificates representing the Agent’s Warrants will provide for standard adjustments in the number of Common Shares issuable upon the exercise of the Agent’s Warrants or the exercise price

per Agent’s Warrant subject to an Agent’s Warrant upon the occurrence of certain events, including if the Company: (a) subdivides, redivides or changes its outstanding Common Shares into a greater number of Common Shares; (b) consolidates, reduces or combines its outstanding Common Shares into a smaller number of Common Shares; or (c) fixes a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares or convertible securities to such holders as dividends paid in the ordinary course and other than rights, options or Warrants exercisable within a period expiring not more than 45 days after the record date for such issue to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per Common Share, or at an exchange or conversion price per Common Share, of equal to or less than 95% of the current market price on such record date).

Holders of Agent’s Warrants will not have any voting or any other rights which a holder of Common Shares would have until the Agent’s Warrants are duly exercised and the Agent’s Warrant Shares are issued.

The Agent’s Warrants have not been and will not be registered under the U.S. Securities Act, and the Agent’s Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

CONSOLIDATED CAPITALIZATION

Other than as disclosed under “*Prior Sales*” in this Prospectus Supplement, there have been no material changes in the share and loan capital of the Company on a consolidated basis from the completion of the Company’s initial public offering on June 19, 2024 to the date of this Prospectus Supplement.

As a result of the Offering, the shareholder’s equity of the Company will increase by the amount of the net proceeds, less expenses, of the Offering and there will be additional Common Shares issued and outstanding. After giving effect to the Offering, assuming its completion for proceeds of \$3,000,000 and without taking into account the exercise of any securities convertible into or exercisable for Common Shares, there will be an aggregate of 73,256,456 Common Shares issued and outstanding, or 74,156,456 Common Shares if the Over-Allotment Option is exercised in full.

PRICE RANGE AND TRADING VOLUME OF SECURITIES

The Company completed its initial public offering on June 19, 2024 and its Common Shares commenced trading on the CSE on June 20, 2024. The following chart sets out the high and low trading prices, and volume of Common Shares traded, for the period June 20, 2024 to December 3, 2024 for the Company:

Period	High (\$)	Low (\$)	Average Close (\$)	Volume
December 1, 2024 to December 3, 2024	0.48	0.45	0.465	403,100
November 2024	0.58	0.37	0.487	4,353,320
October 2024	0.67	0.47	0.57	8,568,464
September 2024	0.65	0.45	0.56	2,969,105
August 2024	0.63	0.45	0.507	1,080,766
July 2024	0.87	0.51	0.676	1,062,009

June 20, 2024 to June 28, 2024	0.90	0.75	0.857	576,227
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PRIOR SALES

The following are the only sales of Common Shares, or securities that are convertible or exchangeable into Common Shares, within the 12 months prior to the date of this Prospectus Supplement.

Date of Issuance	Number of Securities Issued	Type of Security	Issue / Exercise Price (\$)
December 3, 2024	41,250 ⁽¹⁾	Common Shares	0.10
November 19, 2024	187,500 ⁽²⁾	Common Shares	0.10
November 15, 2024	281,250 ⁽³⁾	Common Shares	0.10
November 14, 2024	50,000 ⁽⁴⁾	Common Shares	0.50
November 14, 2024	1,200,000 ⁽⁴⁾	Common Shares	0.10
November 6, 2024	750,000 ⁽⁵⁾	Common Shares	0.10
November 1, 2024	250,000 ⁽⁶⁾	Common Shares	0.10
October 29, 2024	37,500 ⁽⁷⁾	Common Shares	0.50
October 24, 2024	556,250 ⁽⁸⁾	Common Shares	0.10
October 21, 2024	87,500 ⁽⁹⁾	Common Shares	0.65
October 21, 2024	343,750 ⁽¹⁰⁾	Common Shares	0.10
October 21, 2024	13,500 ⁽¹¹⁾	Common Shares	0.50
October 11, 2024	75,000 ⁽¹²⁾	Common Shares	0.10
September 05, 2024	50,000 ⁽¹³⁾	Common Shares	0.55
September 03, 2024	106,177 ⁽¹⁴⁾	Common Shares	0.49
July 29, 2024	21,930 ⁽¹⁵⁾	Common Shares	0.57
June 19, 2024	11,500,000 ⁽¹⁶⁾	Common Shares	0.50
June 19, 2024	87,500 ⁽¹⁷⁾	Common Shares	0.82
May 24, 2024	25,545,490 ⁽¹⁸⁾	Common Shares	0.30
May 2, 2024	4,610,000 ⁽¹⁹⁾	Common Shares	0.40
December 15, 2023	6,231,859 ⁽²⁰⁾	Common Shares	0.30
October 19, 2023	15,230,000 ⁽²¹⁾	Common Shares	0.05

Notes:

- (1) On December 3, 2024, the Company issued 41,250 Common Shares pursuant to a warrant exercise.
- (2) On November 19, 2024, the Company issued 187,500 Common Shares pursuant to a warrant exercise.
- (3) On November 15, 2024, the Company issued 281,250 Common Shares pursuant to a warrant exercise.
- (4) On November 14, 2024, the Company issued 1,250,000 Common Shares pursuant to warrant exercises.
- (5) On November 6, 2024, the Company issued 750,000 Common Shares pursuant to warrant exercises.
- (6) On November 1, 2024, the Company issued 250,000 Common Shares pursuant to a warrant exercise.
- (7) On October 29, 2024, the Company issued 37,500 Common Shares pursuant to a warrant exercise.
- (8) On October 24, 2024, the Company issued 556,250 Common Shares pursuant to a warrant exercise.
- (9) On October 21, 2024, the Company settled 87,500 vested RSUs through the issuance of 87,500 Common Shares, pursuant the vesting schedule of the RSUs granted to management and directors on June 19, 2024.
- (10) On October 21, 2024, the Company issued 343,750 Common Shares pursuant to a warrant exercise.
- (11) On October 21, 2024, the Company issued 13,500 Common Shares pursuant to a warrant exercise.
- (12) On October 11, 2024, the Company issued 75,000 Common Shares pursuant to a warrant exercise.
- (13) On September 5, 2024, the Company issued 50,000 RSU's to a consultant, vesting immediately. The Company settled 50,000 vested RSUs on grant date through the issuance of 50,000 Common Shares.
- (14) On September 3, 2024, the Company settled 106,177 vested RSUs through the issuance of 106,177 Common Shares.

- (15) On July 29, 2024, the Company issued 1,201,538 RSUs to certain employees and officers, subject to vesting provisions. The Company settled 21,930 vested RSUs on grant date through the issuance of 21,930 Common Shares.
- (16) Issued in connection with the Company's initial public offering of 11,500,000 units at \$0.50 per unit. Each unit consisted of one Common Share and one-half of one share purchase warrant.
- (17) On June 19, 2024, the Company issued 350,000 RSUs to management and directors. The RSUs vested as follows: 25% on the grant date, and then 25% every four months thereafter. The Company settled 87,500 vested RSUs on grant date through the issuance of 87,500 Common Shares.
- (18) The Common Shares were issued as consideration pursuant to the closing of an arrangement pursuant to an arrangement agreement dated November 10, 2024 between the Company, Bluski and 1448451 B.C. Ltd. (the "Arrangement").
- (19) Subscription receipts issued on May 2, 2024 automatically converted into units on closing of the Arrangement, consisting of one Common Share and one-half of one Common Share purchase warrant.
- (20) The Company issue units consisting of one Common Share and one-half of one Common Share purchase warrant.
- (21) The Company issued units consisting of one Common Share and one-half of one Common Share purchase warrant.

During the 12 months preceding the date of this Prospectus, the Company has issued the following, RSUs, warrants, subscription receipts and options:

Date of Issuance	Number of Securities Issued	Type of Security	Issue / Exercise Price (\$)
September 05, 2024	50,000 ⁽¹⁾	RSUs	N/A
September 05, 2024	100,000 ⁽²⁾	Options	0.57
August 23, 2024	903,542 ⁽³⁾	RSUs	N/A
August 23, 2024	100,000 ⁽⁴⁾	Options	0.495
July 29, 2024	1,201,538 ⁽⁵⁾	RSUs	N/A
July 29, 2024	5,046,000 ⁽⁶⁾	Options	0.58
June 19, 2024	5,750,000 ⁽⁷⁾	Warrants	0.75
June 19, 2024	793,160 ⁽⁸⁾	Options	0.50
June 19, 2024	350,000 ⁽⁹⁾	RSUs	N/A
June 19, 2024	850,000 ⁽¹⁰⁾	Options	0.50
May 24, 2024	522,754 ⁽¹¹⁾	Warrants	0.50
May 02, 2024	2,305,000 ⁽¹²⁾	Warrants	0.75
March 26, 2024	56,000 ⁽¹³⁾	Warrants	0.40
December 15, 2023	3,115,929 ⁽¹⁴⁾	Warrants	0.50
December 15, 2023	313,903 ⁽¹⁵⁾	Warrants	0.50
October 19, 2023	7,615,000 ⁽¹⁶⁾	Warrants	0.10

Notes:

- (1) On September 5, 2024, the Company issued 50,000 RSU's to a consultant, vesting immediately. The Company settled 50,000 vested RSUs on grant date through the issuance of 50,000 Common Shares.
- (2) On September 5, 2024, the Company issued 100,000 stock options with an exercise price of \$0.57 to a consultant, expiring two years from the date of grant vesting immediately.
- (3) On August 23, 2024, the Company issued 903,542 RSUs to certain consultants, subject to vesting provisions.
- (4) On August 23, 2024, the Company issued 100,000 stock options with an exercise price of \$0.495 to certain consultants, expiring five years from the date of grant. The stock options are subject to vesting provisions corresponding to the achievement of certain milestones.
- (5) On July 29, 2024, the Company issued 1,201,538 RSUs to certain employees and officers, subject to vesting provisions. The Company settled 21,930 vested RSUs on grant date through the issuance of 21,930 Common Shares. The Company further settled 106,177 vested RSUs on September 3, 2024 through the issuance of 106,177 Common Shares.
- (6) On June 29, 2024, the Company issued 5,046,000 stock options with an exercise price of \$0.58 to certain employees and a director/officer, expiring five years from the date of grant. The stock options are subject to vesting provisions corresponding to the achievement of certain milestones.
- (7) Issued in connection with the Company's initial public offering of 11,500,000 units at \$0.50 per unit. Each unit consisted of one Common Share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of \$0.75 until June 19, 2026.
- (8) Issued as compensation options to the Company's agents in connection with the Company's initial public offering. Each option is exercisable into units of the Company at a price of \$0.50. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one Common Share for an exercise price of \$0.75 until June 19, 2026.

- (9) On June 19, 2024, the Company issued 350,000 RSUs to management and directors. The RSUs vest 25% on the grant date, and then 25% every four months thereafter. The Company settled 87,500 vested RSUs on grant date through the issuance of 87,500 Common Shares.
- (10) On June 19, 2024, the Company issued 850,000 stock options with an exercise price of \$0.50 to directors, expiring five years from the date of the grant. The stock options vest 25% on the grant date, and then 25% every four months thereafter.
- (11) Warrants were issued as consideration pursuant to the closing of the Arrangement. Each whole warrant entitles the holder to purchase one Common Share for an exercise price of \$0.50 for a period of two (2) years from the date of issuance.
- (12) Warrants issued upon automatic conversion of subscription receipts (\$0.40 per subscription receipt) into units on closing of the Arrangement, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant exercisable into one Common Share at an exercise price of \$0.75 per share for a period of two (2) years from the date of issuance.
- (13) The Company issued 56,000 finder's warrants to certain finders in connection with the issue and sale of its subscription receipt offering.
- (14) Warrants were issued in connection with unit offering at price of \$0.30 per unit, with each unit comprised of one (1) Common Share and one-half (1/2) of one Common Share purchase warrant, with each warrant entitling the holder to purchase one Common Share at an exercise price of \$0.50 per Common Share for a two (2) year period from the date of issuance.
- (15) The Company issued 313,903 finder's warrants to certain finders in connection with the issue and sale of the December 15, 2023 unit offering.
- (16) Warrants issued in connection with unit offering at a price of \$0.05 per unit, with each unit comprised of one (1) Common Share and one-half (1/2) of one Common Share purchase warrant, with each warrant entitling the holder to purchase one Common Share at an exercise price of \$0.10 per Common Share for a two (2) year period from the date of issuance.

PLAN OF DISTRIBUTION

Pursuant to the terms and subject to the conditions of the Agency Agreement, the Company has agreed to sell, and the Agent has agreed to purchase, on the Closing Date, up to 6,000,000 Units at a price of \$0.50 per Unit, payable in cash to the Company against delivery of such Units. There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering set out above.

The Agent has been granted the Over-Allotment Option, exercisable, in whole or in part, at any time, and from time to time, on or before the Over-Allotment Deadline, to purchase up to an additional 900,000 Over-Allotment Units at the Offering Price to cover the Agent's over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised to acquire: (i) up to 900,000 Over-Allotment Units at the Offering Price; (ii) up to 900,000 Over-Allotment Shares at the Over-Allotment Share Price; (iii) up to 900,000 Over-Allotment Warrants at the Over-Allotment Warrant Price; or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares at the Over-Allotment Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Shares that may be issued under such Over-Allotment Option does not exceed 900,000 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 450,000. The Over-Allotment Option is exercisable by the Agent giving notice to the Company prior to the Over-Allotment Deadline, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. The Prospectus qualifies the grant of the Over-Allotment Option and the distribution of Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants forming part of the Agent's over-allocation position acquires those Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants under the Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Agent in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Company has agreed to pay: (a) Agent the Agent's Fee equal to 5% of the aggregate gross proceeds of the Offering, including, for greater certainty, the gross proceeds of the Over-Allotment Option, if any, payable in cash, Units or any combination thereof at the option of the Agent; (b) issue to the Agent the Agent's Warrants, each exercisable at the Offering Price at any time from the Closing Date to the date that is 24 months from the Closing Date, to acquire in aggregate that number of Common Shares which is equal to 5% of the number of Units sold pursuant to the Offering; (c) pay to the Agent, on the Closing Date, a fee equal to 2% of the gross proceeds of the Offering, payable in cash, Units or any combination thereof at the option of the Agent; and (d) issue to the Agent additional Agent's Warrants equal to 2% of the aggregate number of Units issued pursuant to the Offering. Each Agent's

Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.50 per Agent's Warrant for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. This Prospectus qualifies the distribution of the Agent's Warrants to the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will take place on or about the Closing Date, or such other date or dates as may be agreed upon by the Company and the Agent, in any event, on or before a date not later than 42 days after the date of this Prospectus Supplement.

The Company will arrange for an instant deposit of the securities issued hereunder to or for the account of the Agent with CDS on the Closing Date, against payment of the aggregate purchase price for the securities issued hereunder. Accordingly, a purchaser of securities issued hereunder will receive only a customer confirmation from the Agent or other registered dealers who are CDS participants and from or through which the securities issued hereunder are purchased.

The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion upon the occurrence of certain stated events, including in the event that: (a) there shall be any material change or change in a material fact, or there should be discovered any previously undisclosed material fact required to be disclosed in the Prospectus or any amendment thereto, in each case which, in the reasonable opinion of the Agent, has or would be expected to have a significant adverse effect on the market price or value of the Common Shares, or any other securities of the Company; (b) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agent seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the securities of the Company; (c) any inquiry, action, suit, proceeding or investigation (whether formal or informal), including matters of regulatory transgression or unlawful conduct, is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the CSE or securities commission which involves a finding of wrong-doing; (d) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the securities of the Company is made or threatened by a securities regulatory authority; (e) the Company is in breach of any material term, condition or covenant contained in the Agency Agreement or any material representation or warranty given by the Company in the Agency Agreement becomes or is false and such material breach or materially false representation is, in the sole opinion of the Agent acting reasonably, not capable of being cured prior to the Closing Date; or (f) both the Company and Agent agree in writing to terminate the Agency Agreement.

The Agency Agreement also provides that the Company will indemnify, among others, the Agent and its respective affiliates and subsidiaries, and their respective directors, officers, employees, partners and agents against certain liabilities and expenses or will contribute to payments that the Agent may be required to make in respect thereof.

From the Closing Date until a date that is 60 days from the Closing Date, the Company has agreed not to, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, authorize, sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (i) pursuant to the Offering; (ii) the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the

Company outstanding as of the date of the Agency Agreement; (iv) pursuant to the Company's stock option plan or any other securities compensation arrangement of the Company; (v) pursuant to any acquisition of shares or assets of arm's length persons, or (vi) in connection with any investments in the Company by a strategic third party.

From the date hereof until a period of six months from the Closing Date, the Agent shall be provided with the exclusive right and opportunity to act as lead agent for any offering of securities of the Company to be issued and sold in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Company is intending to proceed with any such issuance or has received a proposal for any such issuance, the Company shall provide the Agent notice ("**Notice**") of the proposed terms thereof (including the commission payable to that agent) and the Agent shall have an opportunity, within 5 business days of receipt of the Notice, to respond to the Company that the Agent is desirous of acting as agent, or participating as the case may be, in such offering on behalf of the Company on the terms and conditions contained therein. If the Agent fails to respond within such 5 business day period, or declines, in writing, the Company may proceed with such offering through another agent or underwriter, provided the arrangement with such agent or underwriter is entered into within 30 days thereafter. If the Agent is unable to complete the Offering and this Agreement is terminated as a result thereof, the Agent will not be entitled to the right described in this paragraph.

As a condition of closing of the Offering, the Company shall use its commercially reasonable efforts to cause each of the directors and officers of the Company to execute a lock-up agreement to be delivered at the closing of the Offering, setting out that for a period of 90 days from the Closing Date, without the consent of the Agent, such consent not to be unreasonably withheld or delayed, each director and officer will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether then owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company.

The Company intends to list the Common Shares and Warrant Shares underlying each of the Units and the Agent Warrant's on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

The Offering is being made concurrently in the Provinces of Alberta, British Columbia and Ontario. In addition, the Agent may offer the Units outside of Canada, subject to compliance with the local securities law requirements in such a manner as to not require registration of the Units, or filing of a prospectus or registration statement with respect to those Units under the laws in such jurisdictions or qualification as a foreign corporation or to file a general consent to service of process in such jurisdictions.

Pursuant to rules and policy statements of certain Canadian securities regulatory authorities, the Agent may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions. Such exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Agent may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than which would otherwise prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering

transactions. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress.

Offering in the United States

The Agency Agreement permits the Agent, through one or more of their U.S. registered broker-dealer affiliates, to offer the Units for sale by the Company to, or for the account or benefit of, persons in the United States or U.S. Persons to purchasers who are (i) U.S. Accredited Investors and/or (ii) “qualified institutional buyers”, as such term is defined in Rule 144A under the U.S. Securities Act, that are also U.S. Accredited Investors (“**Qualified Institutional Buyers**”), provided such offers and sales are made in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable state securities laws.

The Units, Common Shares, Warrants and Warrant Shares offered or sold to, or for the account or benefit of, persons in the United States and U.S. Persons, if any, will be or considered “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged or otherwise transferred only pursuant to an available exemption from registration under the U.S. Securities Act and applicable state securities laws.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a holder who is a Qualified Institutional Buyer or a U.S. Accredited Investor at the time of exercise of the Warrants who originally purchased the Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to the terms of the Agency Agreement will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Common Shares or Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

USE OF PROCEEDS

The net proceeds to the Company from the Offering (assuming the maximum Offering, no exercise of the Over-Allotment Option and no President’s List Orders) are estimated to be \$2,650,000 after deducting the Agent’s Fee of \$150,000 and the estimated expenses of the Offering of \$200,000 (assuming no President’s List Orders, excluding the Corporate Finance Fee, taxes and disbursements, but including legal and audit fees and other expenses of the Company and expenses and legal fees of the Agent). In the event that the Over-Allotment Option is exercised in full, the net proceeds to the Company (assuming the maximum Offering, no exercise of the Over-Allotment Option and no President’s List Orders) are estimated to be \$3,077,500 after deducting the Agent’s Fee of \$172,500 and the estimated expenses of the Offering of \$200,000 (exclusive of taxes and disbursements, but including legal and audit fees and other expenses of the Company and expenses and legal fees of the Agent). See “*Plan of Distribution*”.

The net proceeds of the Offering (assuming the maximum Offering and no exercise of the Over-Allotment Option except as otherwise indicated) are intended to be used as follows:

Use of Proceeds	Assuming 15% of the Maximum Offering	Assuming 50% of the Maximum Offering	Assuming 75% of the Maximum Offering	Assuming 100% of the Maximum Offering and No Exercise of Over-Allotment Option	Assuming 100% of the Maximum Offering and Full Exercise of Over-Allotment Option
General Facility Expansion Costs	\$68,250	\$367,500	\$581,250	\$795,000	\$923,250
Marketing and Outreach	\$22,750.00	\$122,500	\$193,750	\$265,000	\$307,750
Automating Pyrolysis Operating Conditions	Nil	Nil	Nil	\$66,250	\$76,938
Automating Gas Flow and Temperature controls	Nil	Nil	Nil	\$198,750	\$230,812
Working Capital and Other General Corporate Purposes	\$136,500	\$735,000	\$1,162,500	\$1,325,000	\$1,538,750
Total Use of Proceeds	\$227,500	\$1,225,000	\$1,937,500	\$2,650,000	\$3,077,500

The business objectives that the Company expects to accomplish using the net proceeds of the Offering, including any proceeds from the exercise of the Over-Allotment Option, together with existing cash and cash equivalents, are for general facility expansion costs, marketing and outreach, research and development and for general working capital and corporate purposes. In order to achieve its business objectives, the Company believes that it must continue developing its business as described in the AIF, including under “*Description of Business*” therein.

General Facility Expansion Costs

The Company plans to use a portion of the proceeds for facility expansion to support increased operational capacity and efficiency. Key expenses will include the procurement of additional feedstock, increased propane costs to meet higher production demands, and funding for additional labor and contractor services. The proceeds will also cover the purchase and maintenance of a small parts inventory, system improvements to enhance performance, and the installation of an HVAC system to ensure proper climate control. Upgrades to storage facilities will accommodate expanded inventory requirements, and funds will also be allocated for the removal of outdated factory machinery from previous operations, creating space for new equipment and streamlining workflow.

Marketing and Outreach

The Company has hired Audience Marketing Inc., and may hire additional public relations agencies to assist the Company. These additional firms have not been engaged as at the date of this Prospectus. If the maximum Offering is completed, the Company intends to allocate \$265,00 for marketing and outreach

activities. If the Over-Allotment Offering is completed, the Company intends to allocate \$307,750 for marketing and outreach activities.

Research and Development

Automating Pyrolysis Operating Conditions

The Company intends to allocate part of the proceeds toward automating motor speed adjustments for the drying and conveyor systems. This automation will optimize operations based on the moisture content of the feedstock. If the feedstock has high moisture content (i.e., is too wet), the system will slow down the dryer and conveyor belt, allowing the feedstock to dry more thoroughly at a slower rate. Conversely, if the feedstock has lower moisture content, the dryer and conveyor belt will operate at higher speeds to maintain efficiency. Automating these adjustments, rather than performing them manually, will enhance the Company's operational output and ensure greater consistency in product quality, improving overall efficiency and quality control.

Automating Gas Flow and Temperature Controls

The Company plans to allocate a portion of the proceeds towards automating the pyrolysis system's gas flow control, as there is currently no direct temperature control mechanism. Temperature is managed indirectly by regulating the flow of gas between the gas chamber and the flare-off. The proposed automation system will dynamically adjust gas flow to maintain optimal temperature levels. If the temperature begins to rise, the system will divert excess gas to the flare-off. Conversely, if the temperature drops, the system will redirect gas from the flare-off back into the gas chamber to stabilize and increase the temperature as needed. This automation will enhance efficiency and ensure more precise control of the pyrolysis process.

Management of the Company will retain broad discretion in allocating the net proceeds of the Offering and the Company's actual use of the net proceeds will vary depending on the availability and suitability of investment opportunities and its operating and capital needs from time to time. All expenses relating to the Offering and any compensation paid to Agent will be paid out of the proceeds of the Offering. See "*Risk Factors – Discretion to Use Capital Resources Other Than as Specified in this Prospectus Supplement*".

To the extent that the Agent exercises the Over-Allotment Option, the portion of the proceeds allocated to working capital and general corporate purposes will be increased accordingly.

Since inception, the Company has not generated revenues and has incurred losses, resulting in a negative operating cash flow. Management expects that the Company's existing cash and cash equivalents balance will be adequate to meet the Company's expansion of facilities and operational activities in the near term. Unallocated funds, if any, will be added to the working capital of the Company. The Company may, however, be required to use some or all of the net proceeds from the Offering to fund its cash working capital requirements and negative cash flows. See "*Risk Factors – Negative Cash Flow from Operations*".

While the Company currently anticipates that it will use the net proceeds of the Offering as set forth above, the Company may re-allocate the net proceeds of the Offering, as applicable from time to time, giving consideration to its strategy relative to the market, development and changes in the industry and regulatory landscape, as well as other conditions relevant at the applicable time. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board. Management of the Company will have discretion concerning the use of the net proceeds of the Offering, as well as the timing of their expenditure. See "*Risk Factors – Discretion to Use Capital Resources Other Than as Specified in this Prospectus Supplement*".

No minimum amount of funds must be raised under the Offering. This means that the Company could complete the Offering after raising only a small proportion of the Offering amount set out above. There is

no guarantee that the Company will receive sufficient net proceeds from the Offering to accomplish some or all of the objectives set out above.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon, on behalf of the Company, by Gowling WLG (Canada) LLP and, on behalf of the Agent, by Wildeboer Dellelce LLP, with respect to matters of Canadian law.

As at the date hereof, the partners and associates of Gowling WLG (Canada) LLP, as a group, and the partners and associates of Wildeboer Dellelce LLP, as a group, each own less than 1% of the outstanding securities of the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

DMCL LLP, Chartered Professional Accountants, is the independent auditor of the Company and their office is located at 1500-1140 West Pender St., Vancouver, British Columbia, V6E 4G1.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company located at United Kingdom Building, 350-409 Granville Street, Vancouver, BC, V6C 1T2.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary, prepared by Gowling WLG (Canada) LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agent, of the principal Canadian federal income tax considerations as of the date of this Prospectus Supplement generally applicable to a holder who acquires Units as beneficial owner pursuant to the Offering and who, at all relevant times for purposes of the Tax Act, acquires and holds their Common Shares comprising the Units, Warrants and any Warrant Shares as capital property, deals at arm's length with the Company and the Agent and are not affiliated with the Company or the Agent (a "**Holder**"). For purposes of this summary, references to Common Shares shall include Common Shares and Warrant Shares.

Common Shares and Warrants will generally be considered capital property to a purchaser unless either the purchaser holds or uses or is deemed to hold or use such securities in the course of carrying on a business of trading or dealing in securities or the purchaser has acquired or has been deemed to acquire such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a "financial institution" as defined in the Tax Act for the purpose of the "mark-to-market" provisions of the Tax Act; (ii) that is a "specified financial institution" for purposes of the Tax Act; (iii) an interest in which constitutes a "tax shelter investment" within the meaning of the Tax Act; (iv) that that has made a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than the Canadian currency; (v) that has entered or will enter into a "derivative forward agreement" or a synthetic disposition agreement (as defined in the Tax Act) in respect of Common Shares or Warrants; (vi) that is exempt from tax under Part I of the Tax Act; (vii) that is a partnership; or (viii) that receives dividends on Common Shares or Warrants Shares as part of a "dividend rental arrangement", as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation

resident in Canada that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of Units or Warrant Shares issued on the exercise of Warrants, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring Units or Warrant Shares issued on the exercise of Warrants.

This summary is based on the current provisions of the Tax Act and its regulations in force as at the date hereof taking into account all published proposals for the amendment thereof to the date hereof (the "**Proposed Amendments**") and upon counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") that are publicly available and published in writing prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form proposed and does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or tax laws of any foreign country, which may differ from those discussed herein. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all or that legislative, judicial or administrative changes will not modify or change the statements expressed herein. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal or any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular purchaser of offered Units. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of offered Units should consult their own tax advisors having regard to their own particular circumstances.

Currency

Generally, for the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares or Warrant Shares (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in foreign currency, must be converted into Canadian dollars, generally based on the rate quoted by the Bank of Canada for the exchange of the foreign currency on the date such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Allocation of Unit Cost

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Common Share and the one-half of one (1) Warrant, respectively, in order to determine their respective costs to such purchaser for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that of the Offering Price, it intends to allocate \$0.49 to each Common Share and \$0.01 to each one-half of one (1) Warrant. The Company believes that such allocations are reasonable, however such allocations are not binding on the CRA or on a purchaser and counsel expresses no opinion on such allocations.

The adjusted cost base to a Holder of each Common Share acquired pursuant to the Offering will be determined by averaging the cost of such shares with the adjusted cost base to such purchaser of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the exercise price paid for the Warrant Share. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

The following section of this summary generally applies to a Holder who, for purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). Certain purchasers whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act to have the Common Shares, and every other "Canadian security" (as defined by the Tax Act) held by such purchaser in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. This election does not apply to Warrants. Purchasers should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available or advisable in respect of Common Shares in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder will generally realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant immediately prior to such expiry. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares during such taxation year. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividends that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act may be liable to pay a tax under Part IV of the Tax Act (which may be refundable, subject to the detailed rules in the Tax Act) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share (other than on a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or a Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant, as the case may be, immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

For capital gains and capital losses realized on or after June 25, 2024, under Proposed Amendments released on August 12, 2024 and September 23, 2024 (the “**Capital Gains Tax Proposals**”), and subject to certain transitional rules discussed below, generally, a Resident Holder is required to include in computing its income for a taxation year two-thirds of the amount of any such capital gain (a “**taxable capital gain**”) realized in the year, and is required to deduct two-thirds of the amount of any such capital loss (an “**allowable capital loss**”) sustained in a taxation year from taxable capital gains realized in the year by such Resident Holder. However, under the Capital Gains Tax Proposals, a Resident Holder that is an individual (excluding most types of trusts) is effectively required to include in income only one-half of net capital gains realized (including net capital gains realized indirectly through a trust or partnership) in a taxation year up to a maximum of \$250,000, with the two-thirds inclusion rate applying to the portion of net capital gains realized in the year (and on or after June 25, 2024) that exceed \$250,000. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act (as proposed to be amended by the Capital Gains Tax Proposals).

Subject to transitional rules in the Capital Gains Tax Proposals, for a capital gain or capital loss realized prior to June 25, 2024, only one-half of such capital gain would be included in income as a taxable capital gain and one-half of such capital loss would constitute an allowable capital loss.

Under the Capital Gains Tax Proposals, two different inclusion and deduction rates (or a blended rate) would apply for taxation years that begin before and end on or after June 25, 2024 (the “**Transitional Year**”). As a result, for its Transitional Year, a Resident Holder would be required to separately identify capital gains and capital losses realized before June 25, 2024 (“**Period 1**”) and those realized on or after June 25, 2024 (“**Period 2**”). Capital gains and capital losses from the same period would first be netted against each other. A net capital gain (or net capital loss) would arise if capital gains (or capital losses) from one period exceed capital losses (or capital gains) from that same period. A Resident Holder would effectively be subject to the higher inclusion and deduction rate of two-thirds in respect of its net capital gains (or net capital losses) arising in Period 2, to the extent that these net capital gains (or net capital losses) exceed any net capital losses (or net capital gains) incurred in Period 1. Conversely, a Resident Holder would effectively be subject to the lower inclusion and deduction rate of one-half in respect of its net capital gains (or net capital losses) arising in Period 1, to the extent that these net capital gains (or net capital losses) exceed any net capital losses (or net capital gains) incurred in Period 2.

The annual \$250,000 threshold for a Resident Holder that is an individual (other than most types of trusts) would be fully available in 2024 without proration and would apply only in respect of net capital gains realized in Period 2 less any net capital loss from Period 1. Certain other limitations to the \$250,000 threshold may apply.

The Capital Gains Tax Proposals also contemplate adjustments of carried forward or carried back allowable capital losses to account for changes in the relevant inclusion and deduction rates.

The foregoing summary only generally describes the considerations applicable under the Capital Gains Tax Proposals, and is not an exhaustive summary of the considerations that could arise in respect of the Capital Gains Tax Proposals. Furthermore, the Capital Gains Tax Proposals could be subject to further changes. Resident Holders should consult their own tax advisors with regard to the Capital Gains Tax Proposals.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) (a “CCPC”) or a “substantive CCPC” (as defined in the Tax Act) at any time in the year, may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act) for the year, which is defined to include an amount in respect of taxable capital gains interest and dividends or deemed dividends that are not deductible in computing in the Resident Holder’s taxable income.

Minimum Tax

Capital gains realized or dividends received or deemed to be received by a Resident Holder that is an individual or trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax under the Tax Act. Recent amendments to the Tax Act enacted on June 20, 2024 may affect the liability of a Resident Holder for alternative minimum tax. **Resident Holders should obtain independent advice from a tax advisor on such amendments to the federal alternative minimum tax and the consequences therefrom.**

Holders Not Resident in Canada

This portion of the summary generally applies to a Holder who, at all relevant times, for purposes of the Tax Act or any applicable income tax treaty or convention: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold and is not deemed to use or hold the Common Shares or Warrants in connection with carrying on a business (including an adventure or concern in the nature of trade) in Canada (“**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of such dividend, unless such rate is reduced by the terms of an applicable tax treaty or convention to which the Non-Resident Holder is entitled to the benefits of, between Canada and the country in which the Non-Resident Holder is resident. Under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty, is fully entitled to benefits under the Treaty and is a beneficial owner of the dividend (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares).

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant, unless the Common Share or

Warrant (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption pursuant to the terms of an applicable tax treaty or convention, which the Non-Resident Holder is entitled to the benefits of, between Canada and the country in which the Holder is resident.

Provided that the Common Shares are listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the CSE) at the time of disposition, the Common Shares and Warrants will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, the Common Shares and Warrants may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Common Shares or Warrants constitute “taxable Canadian property” in their own particular circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holders Resident in Canada - Dispositions of Common Shares and Warrants*” and “*-Taxation of Capital Gains and Capital Losses*” will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

RISK FACTORS

Risk factors relating to the Company’s business are discussed in the AIF and certain other documents incorporated by reference or deemed to be incorporated by reference in this Prospectus Supplement and the Prospectus, which risk factors are incorporated by reference in this Prospectus Supplement.

An investment in the Units or Over-Allotment Units, if any, offered hereby involves a high degree of risk, should be regarded as speculative due to the nature of the Company’s business, and may result in the loss of an investor’s entire investment. Information regarding the risks affecting the Company and its business is provided in the documents incorporated by reference in this Prospectus Supplement and in the Prospectus, including in the AIF under the heading “*Risk Factors*”. Also see “*Documents Incorporated by Reference*”. In addition, prospective purchasers should carefully consider, in light of their own financial circumstances, the risk factors set out below which relate to the Company and an investment in its securities, as well as the other information contained in the Prospectus and the documents incorporated or deemed to be incorporated by reference therein and in all subsequently filed documents incorporated by reference herein and therein, before making an investment decision.

The risks described in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated therein, are not the only risks facing the Company. Prospective purchasers of Units or Over-Allotment Units, if any, should carefully consider such risk factors, as well as the other information contained herein and therein before purchasing Units or Over-Allotment Units, if any. If any event arising from these risks occurs, the Company’s business, prospects, financial condition, results of operations or cash flows, or your investment in the Units or Over-Allotment Units, if any, could be

materially adversely affected. Purchasers could lose all or part of their investment in the Units or Over-Allotment Units, if any.

Loss of Entire Investment

An investment in the Units is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Price Volatility of Common Shares

The market price of the Common Shares has in the past been, and may in the future be, subject to large fluctuations which may result in losses for investors. The market price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- the Company's operating performance and the performance of competitors and other similar entities;
- the public's reaction to the Company's press releases, other public announcements and filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Company's securities;
- the operating and share price performance of other entities that investors may deem comparable;
- changes in general economic and/or political conditions;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving the Company's or its competitors.

In addition, the market price of the Common Shares is affected by many variables not directly related to the success of the Company and not within the Company's control, including other developments that affect the market for all industrial sector securities or the equity markets generally, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. These variables may adversely affect the prices of the Common Shares regardless of the Company's operating performance.

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "*Use of Proceeds*" from other sources on commercially reasonable terms or at all.

Market for Warrants

There is currently no market through which the Warrants may be sold. There can be no assurance that an active or liquid market for the Warrants will develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Prospectus Supplement. If there is a market through which the Warrants may be sold, the market price of the Warrants may be adversely affected by a

variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and any failure by the Company to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Warrants for reasons unrelated to the Company's performance.

Investment Eligibility

There can be no assurance that the Common Shares and/or Warrants will continue to be qualified investments under relevant Canadian tax laws for trusts governed by Registered Plans (as defined below) and DPSPs (as defined below). The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments. See "*Eligibility for Investment*" in this Prospectus Supplement.

Trading Market

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

The Company cannot assure that a market will continue to develop or be sustained for the Common Shares, or securities exercisable into Common Shares, such as the Warrants. If a market does not continue to develop or is not sustained, it may be difficult for investors to sell Common Shares, or securities convertible or exercisable into Common Shares, such as the Warrants at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Shareholder Rights

Holders of Warrants and Agent's Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if a holder of Warrants or Agent's Warrants subsequently exercises its Warrants or Agent's Warrants, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon the exercising of a Warrant or Agent's Warrant and, to a limited extent, under the conversion rate adjustments under the Warrant Indenture. For example, in the event that an amendment is proposed to the Company's constating documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder of Warrants or Agent's Warrants, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

Negative Cash Flow from Operations

Since inception, the Company has not generated revenues and has incurred losses, resulting in a negative operating cash flow. Although the Company anticipates it will have positive cash flows from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status in the future. To the extent that the Company has negative cash flows in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flows from operating activities. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to

continue to grow its business. If the Company's revenues do not increase to offset its costs and operating expenses or if the Company is unable to raise financing to fund capital or operating expenditures or acquisitions, it could limit its growth and may have a material adverse effect upon the Company's business, financial condition, cash flows, results of operations or prospects. See "*Use of Proceeds*".

Discretion to Use Capital Resources Other Than as Specified in this Prospectus Supplement

The Company currently intends to use the net proceeds of the Offering and the Company's working capital, together with future cash flows from operations and borrowings, if required, to accomplish the business objectives set out under "*Use of Proceeds*" and in the Prospectus and the documents incorporated by reference therein. However, the Board and/or management of the Company will have discretion in the actual application of the Company's capital resources and may elect to allocate proceeds differently from that described under "*Use of Proceeds*" if they believe it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which the Board and/or management of the Company choose to allocate and spend the Company's capital resources. The failure by the Board and/or management of the Company to apply Company's capital resources effectively could have a material adverse effect on the development of the Company's projects and the Company's business, financial condition, results of operations or cash flows.

Future Sales or Issuances of Securities of the Company

The Company may issue additional securities to finance future activities outside of the Offering. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the expectation that such sales could occur, may adversely affect prevailing market prices of the Common Shares. In connection with any issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Payment of Future Dividends

The declaration and future payment of dividends is at the sole discretion of the Board, and is subject to and dependent upon, among other things, the financial condition of, and outlook for the Company, general business conditions, satisfaction of all applicable legal and regulatory restrictions regarding the payment of dividends by the Company and the Company's cash flow and financing needs. To date, the Company has not paid any dividends on its Common Shares and it is unlikely it will do so in the foreseeable future.

Operational Dependence

The successful operation of the Company is dependent on third parties. Loss of any third-party suppliers, manufacturers and contractors may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, any significant interruption, negative change in the availability or economics of the supply chain or increase in the prices for the products or services provided by any such third-party suppliers, manufacturers and contractors could materially impact the Company's business, financial condition, results of operations and prospects. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition, results of operations and prospects.

Forward-Looking Statements May Prove Inaccurate

Purchasers are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections

will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus Supplement under “*Forward-Looking Information*”.

ELIGIBILITY FOR INVESTMENT

In opinion of Gowling WLG (Canada) LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agent, based on the current provisions of the Tax Act, in force as of the date hereof, the Common Shares, Warrants and Warrant Shares, if issued on the date hereof, would be “qualified investments” under the Tax Act for trusts governed by a “registered retirement savings plan” (“RRSP”), “registered retirement income fund” (“RRIF”), “registered education savings plan” (“RESP”), “registered disability savings plan” (“RDSP”), “tax-free savings account” (“TFSA”), first home savings account (“FHSA”, together with a TFSA, RRSP, RRIF, RESP, and RDSP, a “Registered Plan”), or a “deferred profit sharing plan” (“DPSP”) as those terms are defined in the Tax Act at the time of the acquisition of such Common Shares, Warrants and Warrant Shares, provided that at such time:

- (a) in the case of the Common Shares and Warrant Shares, the Common Shares or Warrant Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the CSE) or the Company is otherwise a “public corporation” as defined in the Tax Act; and
- (b) in the case of the Warrants, the Warrant Shares are qualified investments as described above in (a) and neither the Company, nor any person with whom the Company does not deal at arm’s length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the particular Registered Plan or DPSP.

Notwithstanding that a Common Share, Warrant and/or Warrant Share may be a qualified investment for a Registered Plan, the holder of, or annuitant or subscriber under, a Registered Plan, as the case may be (the “**Controlling Individual**”), will be subject to a penalty tax in respect of Common Shares, Warrants or Warrant Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Common Share, Warrant or Warrant Share generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm’s length with the Company for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Common Shares and Warrant Shares will generally not be a “prohibited investment” if such securities are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for the Registered Plan.

Prospective purchasers who may be intending to acquire Units in a Registered Plan, or DPSP are urged to consult their own tax advisors.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the

securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CONVERTIBLE SECURITIES, EXCHANGEABLE OR EXERCISABLE SECURITIES

In an offering of convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable securities is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE BLUSKY CARBON INC.

Dated: December 4, 2024

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation, as required by the securities legislation of British Columbia, Alberta and Ontario.

(signed) "William Hessert"

William Hessert
Chief Executive Officer

(signed) "Andrew Duval"

Andrew Duval
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Alexander McAulay"

Alexander McAulay
Director

(signed) "Michael Malana"

Michael Malana
Director

CERTIFICATE OF THE PROMOTERS

December 4, 2024

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus, as required by the securities legislation of British Columbia, Alberta and Ontario.

(signed) "William Hessert"

William Hessert
Promoter

(signed) "Alexander McAulay"

Alexander McAulay
Promoter

CERTIFICATE OF THE AGENT

Dated: December 4, 2024

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of British Columbia, Alberta and Ontario.

CANACCORD GENUITY CORP.

(signed) "Graham Saunders"
Managing Director, Investment Banking