



BluSky Carbon Signs LOI for US\$192 Million AR2 Biochar Project

Second ten-year project proposal targets agricultural and land remediation in Northwest Arkansas

OLD SAYBROOK, CT/VANCOUVER, BC / ACCESSWIRE / December 11, 2024 / BluSky Carbon Inc. (CSE: BSKY) (OTCQB: BSKCF) (FWB: QE4 /WKN A401NM) (“BluSky” or the “Company”), an innovative entry into the carbon removal clean technology sector is pleased to announce that it has signed a Letter of Intent (the “LOI”) regarding a project proposal with a U.S. based purchaser (“Purchaser”) pursuant to which the Company aims to establish a second commercial facility unrelated to the previously announced US\$105 million AR1 project (see news release dated Sept 24, 2024), to be designated as the AR2 project and located in Northwest Arkansas.

The proposal sets forth a delivery schedule (similar in nature to the AR1 sales agreement) whereby the Purchaser could purchase from the AR2 project a fixed volume of 70,000 tons of biochar per year over a period of 10 years. The biochar would be supplied on an as-is basis. The moisture content would be verified with a Certificate of Analysis (CoA) at delivery. Based upon a negotiated rate of two hundred and seventy-five dollars (US\$275) per ton, the sales value under the proposal is approximately US\$192 million.

The Company notes that its ability to meet scheduled delivery of biochar is conditional upon its commissioning a total of five (5) Vulcan Heavy biomass pyrolysis systems (Vulcan Heavy). BluSky’s ability to commission any Vulcan Heavy will be contingent on its ability to secure financing on acceptable terms, and no assurance can be given this will occur. The Company further notes that the transactions contemplated by the LOI remain subject to the negotiation and entering into of a definitive agreement.

Concurrently and integral to the sales proposal contained in the LOI, BluSky has received a 25-year land lease agreement offer from a third party for the Company to lease a portion of a strategic location offering ample room and infrastructure suitable for the AR2 pyrolysis systems build-out. Additionally, BluSky has received a substantial and highly competitive feedstock proposal option from a third party to purchase up to 500,000 tons per year of biomass feedstock containing a moisture content of 40% or less derived from waste streams generated by the regional forestry industry. This feedstock proposal more than meets all the estimated production needs for the AR2 facility as currently proposed, with ample room for additional production scalability in future. The Company is assessing whether to move forward with each of these additional proposals, and notes that its ability to secure either or both is contingent upon it securing financing on acceptable terms and proceeding to a definitive agreement with respect to the sales proposal relating to the AR2 project.

Under the terms of the ten-year biochar sales proposal, standard commercial clauses regarding any breaches of agreements would be subject to written notification detailing the breach; thereafter, if the defaulting party does not remedy the breach within a mutually agreed period, the Agreement may be terminated for cause. Payment terms are proposed to be net 60 days. Delivery terms would be FOB production site in Northwest Arkansas

Biochar is black carbon produced from biomass sources (i.e., wood chips, plant residues, manure or other agricultural waste products) for the purpose of transforming the biomass carbon into a more stable form (carbon sequestration).¹ It can persist for long periods of time in the soil at various depths, typically thousands of years. Biochar is produced by heating biomass or waste materials containing carbon through pyrolysis. Pyrolysis involves thermal and chemical decomposition of biomass in limited or zero supply of oxygen, typically at temperatures ranging from 300°C to 1000°C. Biochar can be used as a soil amendment to improve soil physical and chemical properties, enhance water retention, and sequester carbon. It also

contributes to climate change mitigation by stabilizing carbon in soils for thousands of years, preventing it from being released as carbon dioxide into the atmosphere. Biochar has shown promise in increasing crop yields, improving soil fertility, and reducing environmental pollution through its ability to retain nutrients and minimize greenhouse gas emissions.²

BluSky CEO Will Hessert comments, “The momentum in our sector continues to expand and grow. Interest in sustainable carbon reduction, related job creation opportunities, and the topic of waste transformation into a useful mix of saleable products has achieved an inflection point in the minds and attitudes of a growing number of influential business leaders across the nation. Every week we are responding to an increasing number of inquiries and expressions of interest in our technology and related carbon reduction solutions. In fact, managing the interest in our business is pushing us to adopt new procedures to ensure every opportunity has a chance to be heard. As we near the holiday season, we are blessed to be able to reflect on this remarkable situation and grateful for the interest we are more than happy to manage.”

About BluSky Carbon Inc. (CSE: BSKY) (OTCQB: BSKCF) (FWB: QE4 /WKN: A401NM)

BluSky is a renewable energy company that is in the business of putting Carbon back into the ground – where it belongs! The Company converts organic and industrial waste into biochar, renewable power and carbonate rocks, as well as the development and sale of carbon capture technology. BluSky’s primary objectives are to (1) construct carbon removal equipment; (2) sell the biochar produced by the carbon removal equipment; and (3) sell carbon credits generated from the production of biochar. The Company’s business model is based on the growing need for carbon neutrality and demand to reduce CO2 emissions.

BluSky Carbon is publicly listed in Canada on the CSE with the trading symbol BSKY, on the OTCQB as BSKCF, and in Frankfurt, Germany (FWB) with the identifier QE4. BluSky’s public filings and related documents are available on the Company’s profile page on SEDAR+ at www.sedarplus.ca. For more information about the Company, please visit <https://bluskycarbon.com/>, watch our [video](#), and sign up to receive [news alerts](#) or join us on social media at [Facebook](#), [X \(formerly twitter\)](#), [Instagram](#), or [LinkedIn](#).

ON BEHALF OF THE COMPANY

William (“Will”) Hessert
Chief Executive Officer

BluSky Carbon Inc.
35 Research Parkway,
Old Saybrook, CT, 06475\
Tel. (860) 577-2080
Web. <https://bluskycarbon.com/>
Email. info@bluskycarbon.com

Sales or partner opportunities:
Greg Pakiela, Business Development
greg.pakiela@bluskycarbon.com

Forward Looking Information Disclaimer

This news release contains statements and information that constitute “forward-looking information” within the meaning of applicable securities laws. Such information is based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of BluSky. Forward-looking information may include financial and other projections, as well as statements regarding future plans, strategies, prospects, objectives or economic performance, or the assumption underlying any of the foregoing. In some cases, forward-looking statements can be identified by terms such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”,

“estimate”, “outlook”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Examples of such statements within this news release include, but are not limited to: the anticipated term of the Agreement; that the counterparty thereunder will fulfill its obligations; that the Company will be successful in scaling its operations, which requires, among other things, the acquisition of multiple Vulcan Heavy machines; that the Company will be successful in completing the buildout of its production facility, including testing and optimization of its Vulcan Heavy system; that the Company will be able to complete financings required to scale its operations; and that the Company will be able to meet its commitments under the Agreement.

Forward-looking information is based on current expectations, assumptions, estimates, forecasts, projections, analysis and opinions of management made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking information contained in this news release include, but are not limited to: regulatory requirements being maintained; general business, economic and political conditions; the Company’s ability to successfully execute its plans and intentions; the availability of financing on reasonable terms; the Company’s ability to attract and retain skilled staff; market competition; the products and technology offered by competitors; that good relationships with service providers and other third parties will be established and maintained; continued growth of the carbon capture technology industry and positive public opinion with respect to the carbon capture technology industry.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation the Company’s limited operating history; negative cash flow; financial position and results of operations differing materially from expectations; the expectation of incurring future losses and never becoming profitable; requiring additional capital to continue operations; reliance on the third-party service providers; strong competition from competitors in the carbon capture technology industry; technological changes in relation to carbon capture that may adversely affect adoption of current technology or the Company’s products; supply and demand for the reduction of carbon emissions; and other risk factors described in the Company’s Annual Information Form, a copy of which may be obtained under the Company’s profile at www.sedarplus.ca. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking information speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company’s management to predict all such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information. The Company does not undertake any obligation to update any forward-looking information to reflect information or events after the date on which it is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws.

The CSE has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

¹ <https://www.ars.usda.gov/midwest-area/stpaul/swmr/people/kurt-spokas/biochar/>

² <https://edis.ifas.ufl.edu/publication/SS585>