

HOW TO EXECUTE YOUR SKY QUARRY WARRANTS

▶ A Step-by-Step Guide

Thank you for your interest in Sky Quarry! As part of this private Regulation-A+ offering, you have the opportunity to buy something called a Unit.

Each Unit you purchase contains one share of the Company's common stock (a "**Common Share**"); and one Common Share purchase warrant (a "**Warrant**") to purchase one additional Common Share (a "**Warrant Share**") at a price of \$2.50 USD per share, subject to customary adjustments, over a 36-month exercise period following the date of the issuance of the Warrant.

A **Warrant** is a contract between the Issuer (i.e. the company) and the Investor (i.e. you) that grants the option to buy more shares – at a pre-negotiated price (the "**exercise price**" or "**strike price**") – for a specific period of time (the "**expiration date**").



- **Company:** Sky Quarry
- **Website:** www.skyquarry.com
- **Contact:** ir@skyquarry.com

The minimum investment required is \$500, or 400 Units (priced at \$1.25 per unit).

In this guide, we'll walk you through the entire investment process, as well as step-by-step instructions for exercising your Warrants should you choose to do so.

But before we get into that...

A Quick Recap on the Terms & Conditions of the Offering:

Sky Quarry is a private company. While shares purchased under Regulation A+ are freely tradable, there is currently no established secondary market for any shares you purchase under this offering, and there may never be one.

Any investment in Sky Quarry should be considered a high risk investment that is illiquid in nature. Please do not invest funds you need immediate access to or otherwise cannot afford to lose.

Warrants are not transferable or tradable. You will have 36 months to execute the Warrant before it expires worthless.

The 36 month clock does not start the day you complete your subscription agreement. It also does not start the day your money is received in escrow.

The clock starts the day your transaction has been settled – which means your funds have cleared escrow, the issuer has executed their portion of

the subscription agreement, and your transaction has been recorded in “Book Entry” with the transfer agent.

What is Book Entry?

Book entry is a method of tracking ownership of securities where no physically engraved certificate is given to investors. Securities are tracked electronically, rather than in paper form, allowing investors to trade or transfer securities without having to present a paper certificate as proof of ownership.

When an investor purchases a security, they receive a receipt and the information is stored electronically.

Book-entry securities are settled by the Depository Trust Company (DTC), which is the Depository Trust & Clearing Corporation’s (DTCC) central securities depository.

Here’s How the Investment Process Works:

1. Subscription Agreement Signed – The investor signs (and submits) all required documentation, which includes **Personal Identification Information (PII)** required for all “*Know Your Customer*” (KYC) and “*Anti Money Laundering*” (AML) compliance protocols.

If the information provided doesn’t match the information on file in the KYC/AML database, you will be contacted by customer service who will ask you for additional documentation.

For the purposes of this verification process, Equifund, LLC charges a non-refundable \$24 transaction fee to cover the baseline costs associated with KYC/AML.

We understand this \$24 fee might be inconvenient for smaller-dollar investors to pay versus a percentage-based fee. However, a percentage-based fee unfairly penalizes larger investors.

We refuse to turn our compliance fees into profit centers, and instead choose to be transparent about the true cost of compliance we bear and ask the investor for their understanding in the matter.

2. Funds Cleared – Equifund, LLC does not assume custody of your funds at any point in time, nor do we assume custody of the shares. Instead, your funds will be held in escrow once they have been received and cleared.

The investor may remit payment for shares via ACH, Wire, or by mail via check/money order. Please be advised that different payment methods take different amounts of time to clear.

- **Wires** – 24 hours (one business day) following receipt of funds;
- **Checks** – 10 days following deposit of funds to the Escrow Account;
- **ACH** – 10 days following receipt of funds;
- **Credit and Debit Cards** – 24 hours (one business day) following receipt of funds.

Please be advised that this could have an impact on when your

Subscription Agreement can be executed.

3. Roll Close – Issuer requests funds and executes the Subscription Agreement

At the issuer’s discretion, they may request the funds held in escrow to be transferred to them. In doing so, they will execute their portion of the Subscription Agreement. Once this happens...

4. Settlement – Issuer receives the money in escrow. The investor will receive the Executed Subscription Agreement and Executed Form of Warrant via the email specified in the original Subscription Agreement. The transfer agent records your shares in “Book Entry.”

WARNING: *Once your transaction has been settled, it is final and can not be refunded for any reason!*

Please make sure to keep your digital records of the ***Executed Subscription Agreement*** and ***Executed Form of Warrant***.

Along with these documents, you will also receive an email from the Transfer Agent that has several important pieces of information you’ll need to exercise your Warrants.

ACTION STEPS FOR EXERCISING WARRANTS:

You can exercise Warrants at any time. The shares issued as a result of exercising the Warrant do not carry any restrictions.

Here’s how it works.

Step 1) Contact the Issuer and notify them of your intent to execute the Warrant

To do this, you will need to present the Issuer with the Executed Subscription Agreement and the Executed Form of Warrant.

Please send your requests to IR@skyquarry.com

Here is a templated email you can use:

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Send to: IR@skyquarry.com

Subject Line: Sky Quarry, Inc. – Warrant Exercise Request

Body Copy:

My account registration number is [Insert Registration Number Here] and my account ID is [Insert Account ID Number Here].

I would like to exercise [Insert # of warrants you purchased] warrants into shares of common stock.

Attached is my Executed Subscription Agreement and the Executed Form of Warrant.

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The Registration Number and Account ID Number can be found in the email you received from the Transfer Agent. Please be sure to double

check that you have included your Executed Subscription Agreement and the Executed Form of Warrant, otherwise there may be delays in processing your request.

Once they have received your request, the Issuer will email you with a **Notice of Exercise Form** along with the company's wire transfer instructions.

Step 2) Remit payment to the Issuer via wire transfer

Remember, a Warrant is a contract between the Issuer (i.e. Sky Quarry) and the Investor (i.e. you) that grants the option to buy more shares – at a pre-negotiated price (the “exercise price” or “strike price”) – for a specific period of time (the “expiration date”).

This means you will need to pay \$2.50 per Warrant you wish to exercise (and consequently, convert into Common Shares), directly to the Issuer.

The Issuer will provide you with instructions on where to remit funds. Once they have received your funds, they will contact the Transfer Agent on your behalf and your shares will be recorded in Book Entry.

If you have more questions, please contact Sky Quarry's investor relations team at IR@skyquarry.com.

Please be advised, Equifund, LLC, Digital Offering LLC (a registered broker dealer), and Colonial Stock Transfer Company (the Transfer Agent) are not involved in this transaction and cannot provide any customer service regarding this transaction.

▶ For more information on private investing and vetted opportunities, please visit: <https://equifund.com/>



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