DEEP SKY

2026
Climate Disclosure
Report

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Message from our CEO

To our stakeholders,

I am proud to introduce Deep Sky's inaugural climate-related disclosure report.

Deep Sky was built on a clear mission: to permanently remove CO_2 from the atmosphere and help scale carbon removal commercially. For us, climate strategy is not separate from business strategy. It is our business strategy.

Canada has the natural advantages this sector needs to lead globally: clean energy, world-class geology, skilled workers and the ability to build major infrastructure. Deep Sky's role is to bring those strengths together through projects that prove and commercialize high-quality carbon removal.

Our technology-agnostic model is central to that work. By deploying multiple approaches, we reduce reliance on any single pathway, generate real operating data and accelerate progress toward lower-cost solutions.

This past year showed that strategy in action. We built Deep Sky Alpha in Innisfail, Alberta, advancing the sequestration of CO_2 captured directly from the atmosphere. We secured additional offtake agreements with large buyers, and signed a landmark framework agreement with the W8banaki Nation to help ensure our projects are built through trust, collaboration and shared prosperity. We also advanced planning for Deep Sky One, designed to be one of the world's largest commercial carbon removal facilities, with an annual capacity of 500,000 tonnes.

I thank our team, partners and investors. Your commitment has enabled Deep Sky to move from ambition to operations with focus, discipline and urgency.

We are confident in the opportunity ahead. Carbon removal can become critical national infrastructure for Canada and a meaningful part of the global climate solution. This report shows how we intend to build it: with transparency, discipline and accountability.

Sincerely,

Alex Petre
CEO, Deep Sky

About this Report

Deep Sky Corporation (Deep Sky) is a Canadian carbon removal project developer that aims to reverse climate change by removing carbon dioxide (CO_2) from the atmosphere and storing it permanently underground.

This report represents the inaugural climate-related disclosure report for Deep Sky. It has been structured in alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), now incorporated under the International Financial Reporting Standards (IFRS), through the International Sustainability Standards Board (ISSB). Deep Sky commits to publishing an annual report outlining climate action progress as it relates to the pillars of governance, strategy, risk management and metrics & targets.

The reporting period for this document is Deep Sky's fiscal year, from April 1, 2025 to March 31, 2026. Data and information in this report includes Deep Sky Alpha Inc. and all Deep Sky assets and subsidiaries, with any exceptions or limitations explicitly noted.

For more information on Deep Sky, please visit our website deepskyclimate.com or contact us at media@deepskyclimate.com.

DEEP SKY TONNES

QUALITY

Removed directly from the air then validated and issued on carbon registries. Permanent geologic storage, with 100% traceability of CO_2

AFFORDABILITY

Parallelizing cost-down across multiple technologies to engineer the lowest price.

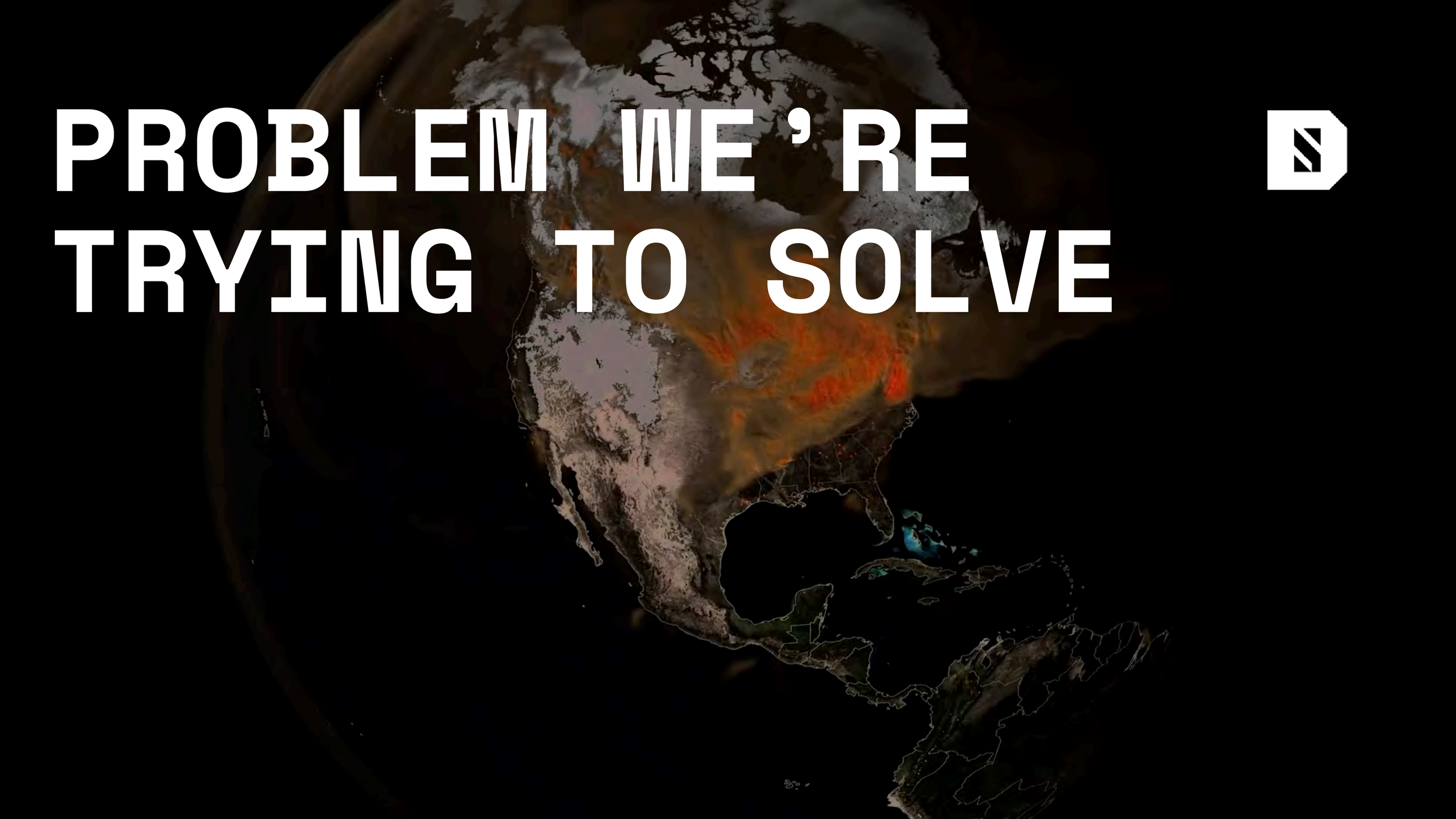
SCALABILITY

Canadian funded, powered, and sequestered. Offering the highest-grade of carbon dioxide removal credits for enhanced value of blended portfolios.

CERTAINTY

Lowest delivery risk with vertically integrated projects across capture, storage and power.

PROBLEM WE'RE TRYING TO SOLVE

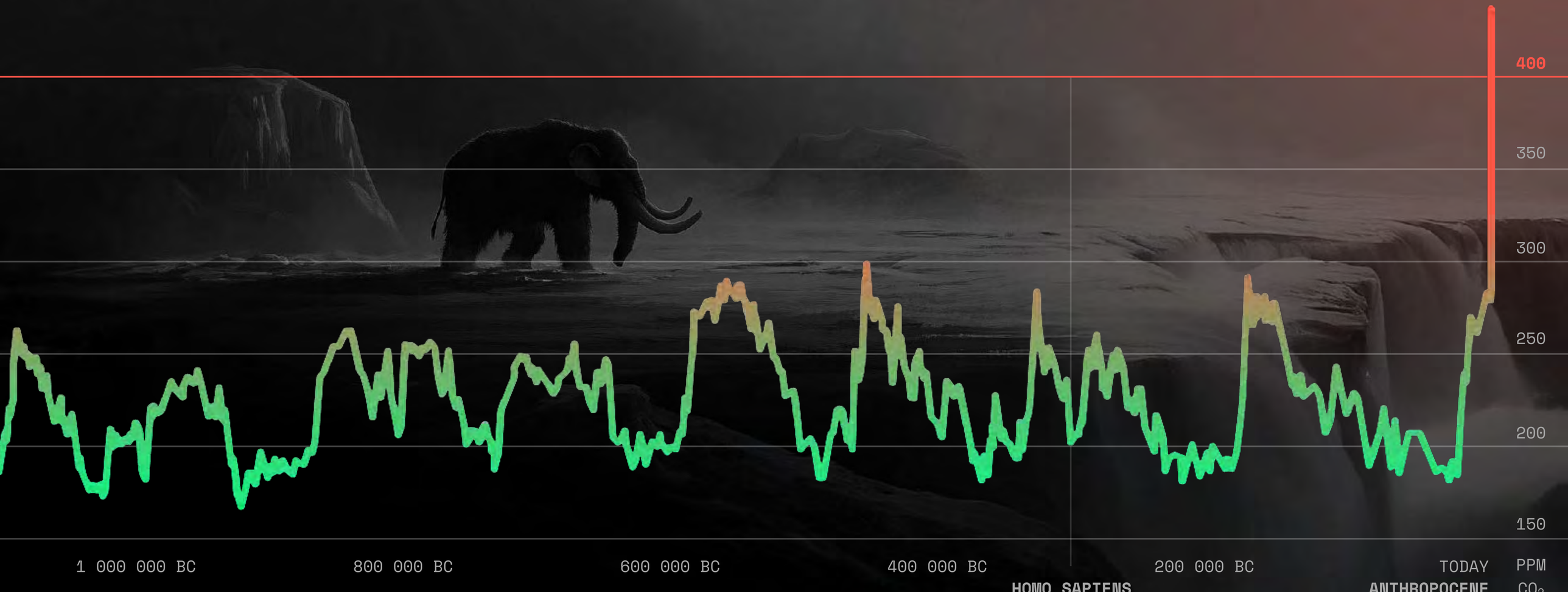


CARBON COLLAPSE

The highest levels of carbon dioxide (CO_2) since one million BC

Record CO_2 levels are warming the planet faster than the climate models predicted, passing 1.5°C for the first time in 2024. There is a delay between emissions and temperature rise of about a decade, meaning **even if we stopped emitting today — we have 10 years of warming to go.**

428
PARTS PER MILLION

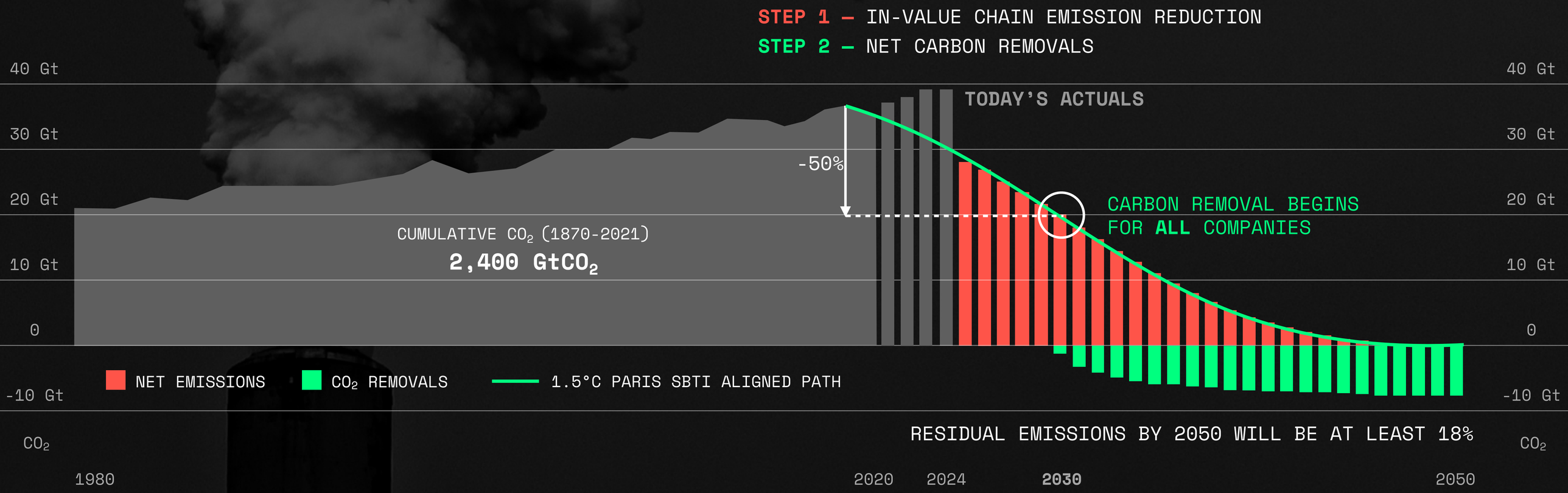


Source: Scripps Institution of Oceanography/NOAA Global Monitoring Laboratory

NET-ZERO REPRESENTATIVE TRAJECTORY

Emission reduction **is not enough** to achieve net-zero

For too long, we've treated cutting emissions as the finish line. But we've waited too long - now, avoiding the worst of climate change means *removing* carbon, not just reducing it. We need to pull **10 billion tonnes of CO_2** from the atmosphere annually by 2050. Not instead of cutting emissions, but alongside it.



Source: Peters _Glen • Data: GCP, own calculations, SBTi

ABOUT DEEP SKY

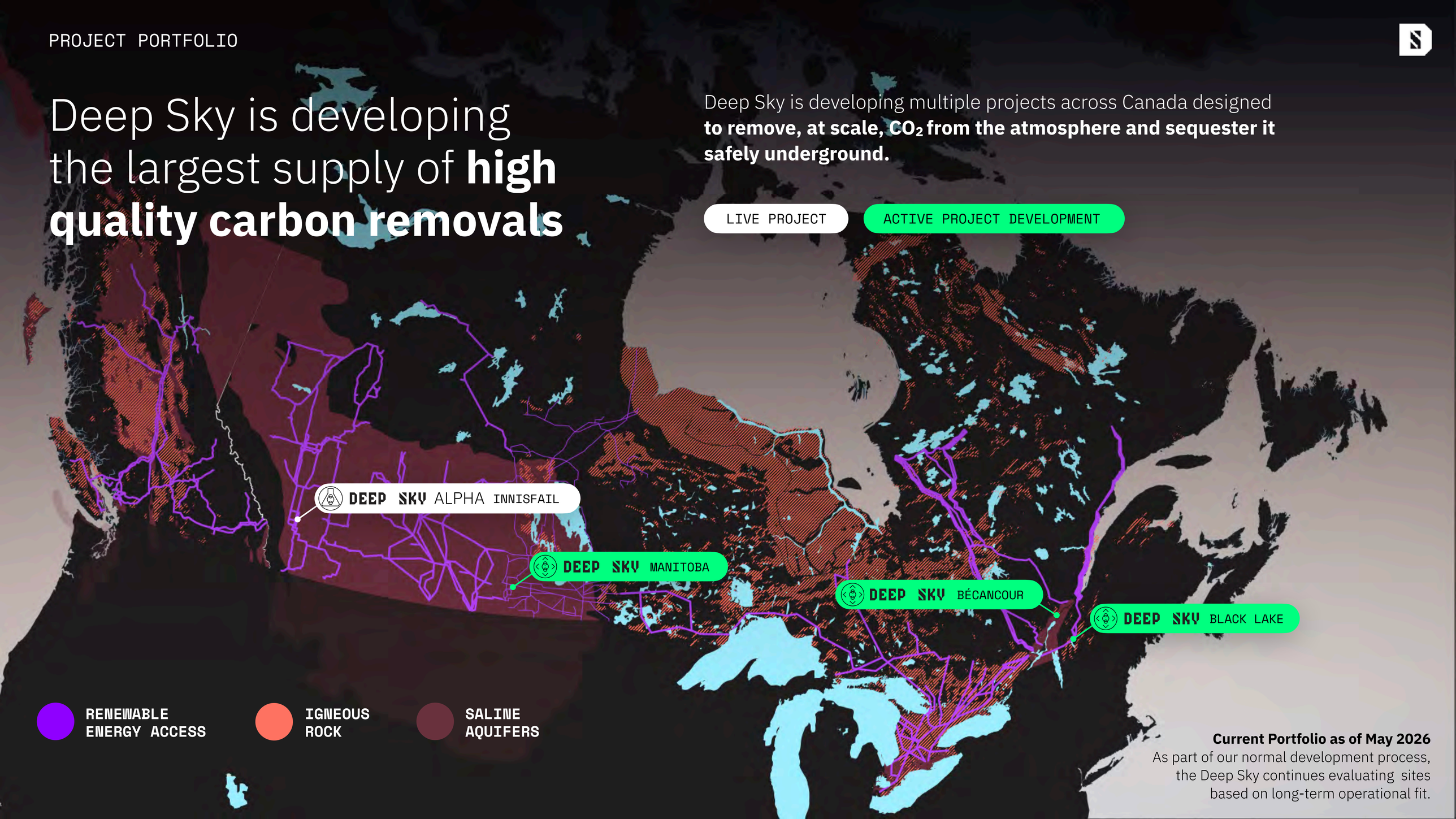
PROJECT PORTFOLIO

Deep Sky is developing the largest supply of **high quality carbon removals**

Deep Sky is developing multiple projects across Canada designed **to remove, at scale, CO_2 from the atmosphere and sequester it safely underground.**

LIVE PROJECT

ACTIVE PROJECT DEVELOPMENT



Current Portfolio as of May 2026
As part of our normal development process, the Deep Sky continues evaluating sites based on long-term operational fit.

Overview

Deep Sky is accelerating deployment of Direct Air Capture and developing the energy and storage to operate removal at gigaton scale.

DEEP SKY ENERGY

ENHANCED GEOTHERMAL

Powered by renewable energy and integrating heat within the CO_2 capture process

SOLAR AND WIND

Powered by renewable energy

DEEP SKY CAPTURE

DIRECT AIR CAPTURE

Capture CO_2 from ambient air

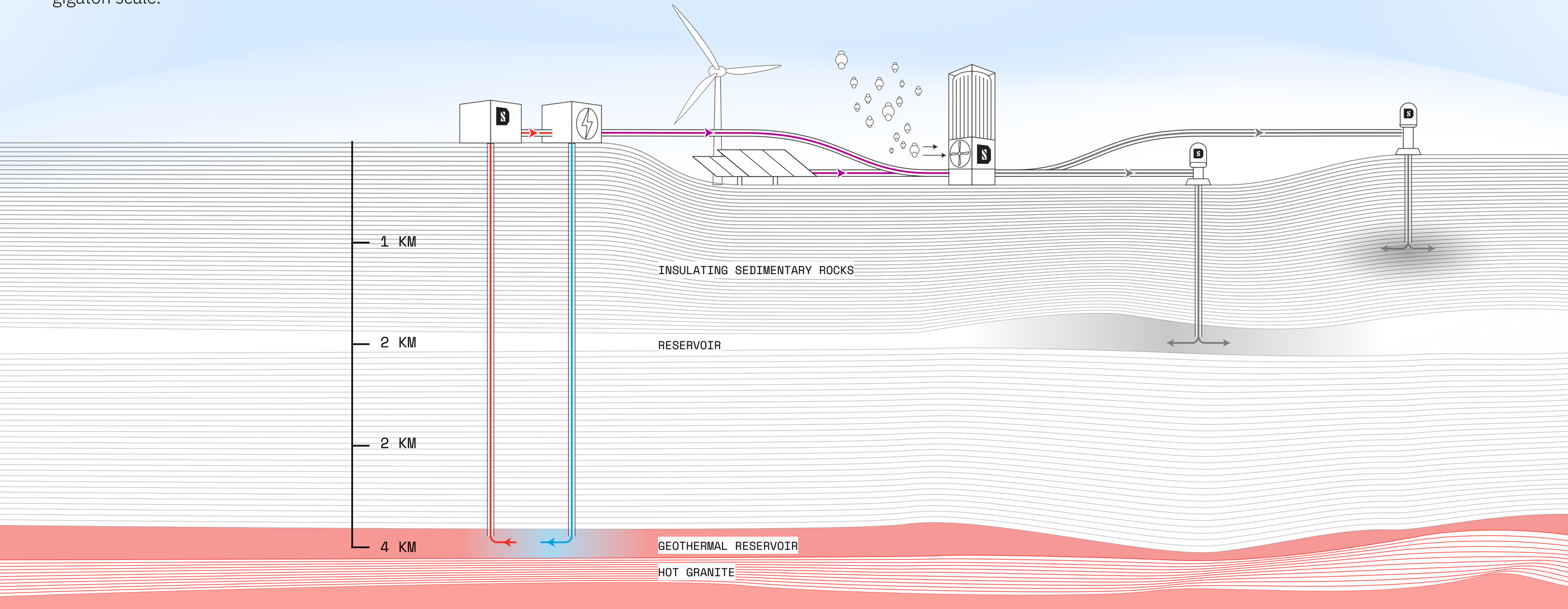
DEEP SKY STORAGE

SEDIMENTARY STORAGE

Sequestration of CO_2 in saline aquifers

IN-SITU MINERALIZATION

Sequestration of CO_2 in basalt & ultramafic rocks



Highlights and Partnerships

KEY HIGHLIGHTS

- First technology-agnostic Direct Air Capture (DAC) facility, located in Innisfail, Alberta, Canada
- Deep Sky Alpha powered by 100% renewable solar energy
- 10,000 tonnes contracted to founding buyers Microsoft and the Royal Bank of Canada (RBC)
- Deep Sky to build a 500,000-tonne carbon removal facility
- Completion of Quebec's first geological injection of captured carbon at our Black Lake site

PARTNERSHIPS

We are proud to partner with various organizations to advance our mission. We have a number of partnerships in place, all in support of our mission to reduce the impacts of climate change.

DAC PARTNERS

AIRBUS
GE VERNOVA
DACMA
CarbonCapture™
SKYRENU
PHLAIR
DAC LAB
MissionZero

INVESTORS, BUYERS AND PARTNERS

Breakthrough Energy Catalyst
Microsoft
Investissement Québec
OMERS
RBC Financial Group
BMO
NATIONAL BANK
brightspark
WESTCAP
Whitecap VENTURE PARTNERS
Natural Resources Canada
elkland capital inc.
EMISSIONS REDUCTION ALBERTA
TECHNO CLIMAT

GOVERNANCE

Governance

Deep Sky is committed to a governance framework that aligns our day-to-day decision-making with our long-term climate objectives. We aim to integrate climate-related risks and opportunities as central drivers of our strategy, financial planning and operations. Climate responsibility is embedded into each level of our governance structure and integrated throughout our organization.

BOARD OVERSIGHT

ROLE	RESPONSIBILITIES	REPORTING FREQUENCY
Board of Directors	Oversight of high-level climate strategy, and of any public climate commitments.	Quarterly
Chief Executive Officer (CEO)	Approval of climate strategy, climate commitments and strategic decision-making.	Ongoing
Management Team	Cross-functional leadership of climate strategy and embedding into functional areas.	Monthly
Cross-Functional Teams	Implementation support of initiatives to achieve climate objectives.	Ongoing

Roles of our Board and Management

BOARD OVERSIGHT

The Deep Sky Board of Directors (the Board) maintains the accountability for overseeing the overall strategy of the organization, which includes oversight of our climate strategy and the proactive management of climate-related risks and opportunities. The Board is responsible for the formal review and approval of high-level strategic decisions and the evaluation of yearly objectives.

The Board meets quarterly and climate-related items are added to the agenda as they require attention. While climate oversight currently resides with the full Board rather than specialized committees, we are actively evaluating how best to engage and expand our Board and committee roles and responsibilities to deepen our governance of climate-related issues as the organization matures.

MANAGEMENT RESPONSIBILITY

The CEO holds primary responsibility for the development of Deep Sky's climate strategy and its alignment with our corporate mission, and ensuring oversight over the strategy from the Board. Our management team is responsible for the cross-functional implementation of the approved strategy and the day-to-day execution of Deep Sky's mission and advancement of the climate strategy within Deep Sky.

To ensure climate-related performance is tracked and the strategy is implemented, we have a defined role dedicated to climate and environmental, social and governance (ESG). This function is responsible for the identification of risks and opportunities, the development of any future greenhouse gas (GHG) emissions targets, the measurement of annual climate performance and the advancement of the climate strategy within Deep Sky. In addition, climate-related objectives are integrated across all departments in the organization, including operations, supply chain and capital projects.

STRATEGY

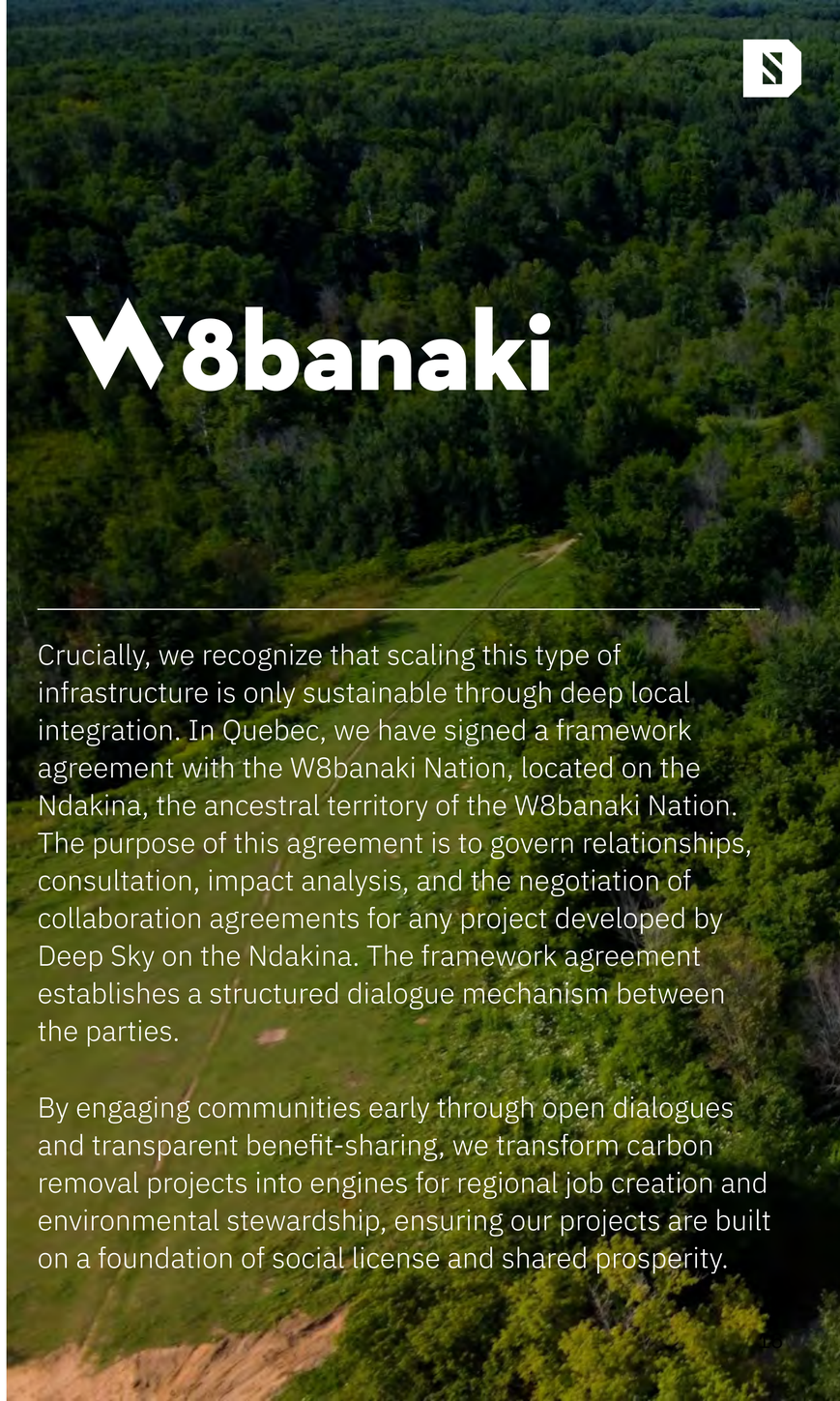
Strategy

As a company whose core business model is the reversal of climate change through carbon dioxide removals, our climate strategy is synonymous with our corporate strategy. Our strategy recognizes the risks associated with developing new technology, but also leans into the opportunities available to advance carbon capture technology.

Carbon removal is an important piece to slow the effects of climate change. The Intergovernmental Panel on Climate Change (IPCC) and the Paris Agreement recognize that reaching net-zero by 2050 requires active carbon dioxide removal to counterbalance residual emissions from hard-to-abate sectors. Deep Sky addresses this gap by using DAC technologies that enable the capture of CO_2 directly from the atmosphere, regardless of the emission source, and permanently sequester it safely underground, effectively "undoing" the climate impact of emissions that cannot yet be eliminated. This provides the negative emissions required to bridge the gap between emissions reduction and meeting global goals, ensuring that the global emissions curve not only flattens but begins to reverse.

Deep Sky serves as a vital partner in achieving Canada's legislated goal of net-zero emissions by 2050 and commitments under the Paris Agreement to limit global warming to 1.5°C. By leveraging Canada's unique geographic advantages, including access to renewable energy resources and world-class geological sequestration sites, Deep Sky is working to scale carbon removal to essential national infrastructure.

Through projects like Deep Sky Alpha in Alberta and the upcoming Deep Sky One 500,000-tonne facility, Deep Sky is not only helping to meet Canada's federal government's 2050 targets but is also positioning the country as a global hub for the emerging carbon capture, utilization and storage (CCUS) industry.



Crucially, we recognize that scaling this type of infrastructure is only sustainable through deep local integration. In Quebec, we have signed a framework agreement with the W8banaki Nation, located on the Ndakina, the ancestral territory of the W8banaki Nation. The purpose of this agreement is to govern relationships, consultation, impact analysis, and the negotiation of collaboration agreements for any project developed by Deep Sky on the Ndakina. The framework agreement establishes a structured dialogue mechanism between the parties.

By engaging communities early through open dialogues and transparent benefit-sharing, we transform carbon removal projects into engines for regional job creation and environmental stewardship, ensuring our projects are built on a foundation of social license and shared prosperity.

Strategy

CERTIFIED CARBON DIOXIDE REMOVALS (CDR)

CDR credits are a tool for companies to reduce their emissions footprint. Organizations purchase CDR credits to get the benefits of the DAC technology, and can apply them to help meet their climate goals. Deep Sky produces one credit for every net tonne of CO_2 removed from the atmosphere. Each credit is backed by a robust Measurement, Reporting, and Verification (MRV) process that ensures the delivery of high-quality CDR credits.

Deep Sky has contracted CDR credits with its founding buyers, RBC and Microsoft. In return, Deep Sky intends to facilitate the removal of 10,000 tonnes of CO_2 from the atmosphere over a 10-year period for these buyers via Deep Sky Alpha, our carbon removal innovation and commercialization centre that has an overall removal capacity of 3,000 tonnes per year. The founding buyers are helping to support Deep Sky's mission to accelerate the path to low cost, low energy intensity and scalable CDR.

CDR CREDIT CHAIN - FROM ATMOSPHERE TO BUYER

1
CO_2 CAPTURED FROM ATMOSPHERE

DAC technology draws CO_2, directly from the air, regardless of emission source

2
PERMANENT GEOLOGICAL SEQUESTRATION

CO_2 safely stored underground, durably and verifiably

3
MRV PROCESS

MRV confirms every net tonne removed

4
CREDIT ISSUED ON REGISTRY

One credit issued per net tonne — validated and registered

5
BUYER APPLIES TO CLIMATE GOALS

Organizations use credits to address hard-to-abate emissions

10,000 CDR credits sold to founding buyers Microsoft and RBC

Microsoft

RBC Financial Group

Deep Sky Alpha

Deep Sky is advancing a diversified portfolio of projects that utilize DAC and advanced sequestration to reverse the effects of climate change.

Deep Sky Alpha's construction began in 2024. Located in Innisfail, Alberta, Deep Sky Alpha aims at demonstrating rapid deployment of climate infrastructure. The facility brings together multiple DAC technologies, and is technology-agnostic in nature, decreasing delivery and operational risks while increasing the speed at which the industry can scale. Deep Sky Alpha allows for real-world operations and optimization of multiple technologies under identical conditions, accelerating the industry's path to cost-effective, scalable carbon removal.

3,000t
carbon removal capacity annually at Alpha

100%
Powered by renewable solar energy

1ST
First cross-technology CDR facility in the world

Black Lake and Bécancour

Deep Sky is conducting studies and tests in the Thetford Mines region in Quebec to assess its carbon storage potential. Geophysical and geochemical studies have been carried out to better understand the subsurface. At this site, Deep Sky plans to use in-situ mineralization, a process where CO_2 is injected into rocky soils that react by converting the CO_2 into rock. When injected into underground mafic and ultramafic rocks, the CO_2 dissolved in water is permanently stored as calcite, without any harmful byproducts and without risk of returning to the atmosphere. Mineralization ensures long-term storage and allows for real-time monitoring of the CO_2 removed from the atmosphere as it is converted into rock underground.

Deep Sky is also conducting studies in Bécancour, Quebec, in collaboration with researchers from the Institut national de la recherche scientifique (INRS). Deep Sky chose Bécancour for its CO_2 injection project primarily because of the favorable geological characteristics of the region's sedimentary basins, i.e. saline aquifers, the presence of heavy industrial emitters and the availability of clean energy, i.e. hydroelectricity. Results of the study are expected in 2026.

A QUEBEC FIRST

First time in Quebec that CO_2 captured from the ambient air has been permanently removed from the atmosphere and injected deep beneath the Earth's surface.

Deep Sky One

Deep Sky will build one of the world's largest commercial carbon removal facilities, furthering Canada's leadership in developing this industry. With an annual removal capacity of 500,000 tonnes at full scale, the facility will be built in multiple phases, starting with 30,000 tonnes of removal capacity.

We are currently evaluating a number of potential sites throughout Canada capable of hosting a single project to start, and have begun engaging with municipal, Indigenous, and other local stakeholders. These engagements are a critical part of the site selection process, and Deep Sky is committed to working collaboratively with Indigenous peoples and local communities to ensure support for projects.

500,000t

Deep Sky to build a 500,000-tonne carbon removal facility

Climate-related Risks and Opportunities

Deep Sky has conducted an assessment of its climate-related risks and opportunities across the following time horizons: 0-2 years (short-term), 2-5 years (medium-term), and over 5 years (long-term). These horizons take into account the lifetime of individual DAC systems and capture facility equipment.

TRANSITION RISKS

Transition risks fundamentally shape Deep Sky's financial planning and operational strategy, acting as both a driver for growth and a source of potential volatility. These risks influence Deep Sky and can lead to reduced delivery of products and services (CDR credits), limit access to capital, or cause operational delays. The below table outlines the impacts of these risks, as well as the mitigation strategies in place at Deep Sky.

DESCRIPTION CLIMATE-RELATED RISKS	TIME HORIZONS	POTENTIAL IMPACTS	MITIGATION
Policy and Legal			
While policy incentives such as the Carbon Capture, Utilization and Storage Investment Tax Credit (CCUS ITC) in Canada have supported the development of this technology, sustained incentives globally are required to advance the CCUS industry.	**Short, Medium**	With limited policy support in place, the advancement of carbon capture technology is slowed due to less access to capital. Lack of regulation in place can slow down timelines and limit the ability to scale carbon capture technology at a pace fast enough to match net-zero ambitions.	Deep Sky is actively engaging with governments and stakeholders in Canada to advance regulation for the storage of CO_2 as well as advocating for policy incentives for the advancement of CCUS technology. We continually monitor policy changes globally and assess the impacts on our business model.
In certain jurisdictions, there is not yet regulation in place to inject CO_2 underground at a commercial scale, therefore limiting the advancement of carbon storage projects.			
The rollback of commitments related to the Paris Agreement and other climate-related laws in certain jurisdictions may reduce the demand for CDR credits and hinder the development of CCUS technology.			
A letter of authorization (LOA) is required for the export of CDR credits. Currently the Government of Canada does not have a policy to enable the issuance of LOAs.	**Short, Medium**	Without providing government-backed LOAs for the export of CDR credits, it can limit the total market potential.	Deep Sky is currently working with the Government of Canada to advocate for the issuance of LOAs.

Transition Risk Assessment

DESCRIPTION CLIMATE-RELATED RISKS	TIME HORIZONS	POTENTIAL IMPACTS	MITIGATION
Technology			
DAC is a new technology that has had limited deployment. There is a risk that certain technologies are not scalable or can fail.	**Short, Medium**	Failure or underperformance of selected technologies can lead to lost revenue expected from CDR credits generated, unplanned downtime or increased costs associated with operationalization.	Deep Sky employs a technology-agnostic approach at our Alpha site, where multiple vendors are brought to site to operate in Canada's colder climate. This allows us to implement learnings for our scaled projects, and contain risks to a project-level.
DAC processes are energy intensive, requiring access to large amounts of low-emission electricity. Securing enough power to operate at scale in a context where current and future demand outpaces supply can be a challenge.	**Short, Medium, Long**	Lack of access to enough low-emission electricity will slow down the deployment of DAC at a climate-significant scale.	In addition to seeking blocks of power from public utilities and advocating for the integration of DAC into long-term power plans, Deep Sky is developing its own renewable power generation (wind, solar, geothermal), in collaboration with private developers, local communities and First Nations. Deep Sky is also working with DAC developers to lower the energy consumption of their units.
Market			
As more businesses enter the voluntary credit market, this could lead to volatility in carbon credit pricing.	**Medium, Long**	Fluctuating demand from voluntary buyers or significant growth or declines in carbon credit pricing could impact long term Deep Sky revenue.	Deep Sky has secured long-term offtake agreements, such as those with our founding buyers RBC and Microsoft to ensure price stability and revenue certainty for project financiers. Deep Sky only produces high-quality credits, aligned with strict registry and MRV standards.
Reputation			
Infrastructure projects require social license to operate from communities and Indigenous groups. There is a risk that projects may be delayed if Deep Sky is unable to get stakeholder buy-in.	**Short, Medium**	Potential opposition from local communities or Indigenous groups regarding land use or perceived safety of CO_2 capture and storage.	Deep Sky has developed a comprehensive approach to engage community and Indigenous groups. We have established partnerships with local communities and Indigenous groups (e.g., Dakota Grand Council, Innisfail, W8banaki Nation) and have held many open houses for communities to engage with our staff and learn more about our projects.
With emerging technology, there is a risk Deep Sky capture volumes may be lower than expected and fewer CDR credits are generated to be sold.	**Short, Medium**	Failure to deliver promised volumes due to technical delays or underperformance can damage brand equity and lead to loss of investor confidence.	Deep Sky engages with buyers directly and keeps them apprised of any delays, as well as incorporates flexibility into contractual agreements.

Physical Risk Assessment

Physical climate risks can directly impact Deep Sky's financial and strategic objectives. Supply chain disruptions from extreme weather events, such as from wildfires or severe weather storms, can delay the procurement of DAC components and sorbents, leading to increased capital costs and delays in project schedules. In addition, DAC units can require increased capital allocation to winterize units to install new air filters, increasing overall maintenance costs. These risks can also lead to loss of revenue from being unable to deliver credits due to off-time required for the DAC units due to disruptions or additional upgrades or maintenance.

ACUTE

EXTREME COLD WAVES

Low temperatures can freeze liquid solvents, cause mechanical failures, or disrupt chemical reactions that bind CO_2.

MITIGATION

Deep Sky is actively working with partners to winterize DAC units and operate at lower temperature ranges.

WILDFIRE & SMOKE INTERFERENCE

Increasing wildfire frequency could cause direct asset damage and heavy smoke may clog air contactor filters, reducing capture efficiency.

MITIGATION

A fire detection process is in place at the Alpha site and air quality monitors have been installed to assess conditions.

SEVERE WEATHER STORMS

High winds or hail can damage exposed DAC surface areas or disrupt renewable energy grids Deep Sky leverages for power.

MITIGATION

Detailed HAZOP assessments are conducted on each DAC unit prior to procurement, including performance during severe weather.

CHRONIC

RISING TEMPERATURES

DAC technologies may be optimized for specific temperature ranges. Long-term increases can reduce capture efficiency from sorbents/solvents and increase energy intensity required for cooling.

MITIGATION

The temperature of proposed sites is incorporated into project planning, including how DAC units will perform under various temperature conditions.

CHANGING PRECIPITATION & HUMIDITY PATTERNS

DAC efficiency fluctuates with air moisture levels. Chronic drying or increased humidity can change net capture rates. Long-term droughts could increase water costs or trigger regulatory restrictions.

MITIGATION

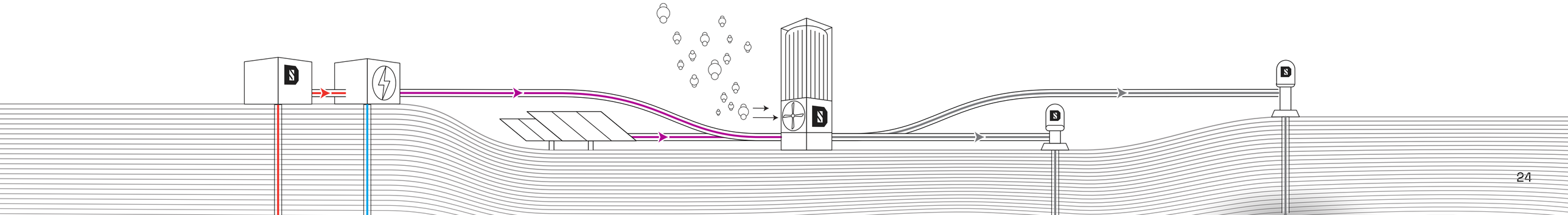
Sites designed with provisions for water recycling should water-restrictive conditions arise.

Climate-related Opportunities Assessment

At Deep Sky, our business model is designed to address the opportunities presented by the transition to a net-zero economy by transforming climate challenges into scalable commercial opportunities. We produce high quality, verifiable CDR credits that are sold to buyers to help offset their carbon emissions and reduce global GHG emissions.

Canada's decarbonization policies, including the Federal CCUS ITC, serve as a financial catalyst by de-risking capital expenditures. Our technology-agnostic approach allows us to generate high-integrity credits while de-risking our portfolio against technological failure. Furthermore, by integrating Indigenous and community partnerships, we secure the social license necessary to transform these strategic opportunities into long-term, resilient infrastructure.

TYPE	CLIMATE-RELATED OPPORTUNITIES	TIME HORIZON	POTENTIAL IMPACTS
Resource Efficiency	Optimizing energy efficiency of carbon capture processes	**Medium, Long**	Improving the energy efficiency of carbon capture reduces the energy cost per tonne of CO_2 removed, improving margins and competitiveness, as well as increases the technology viability.
Energy Source	Utilization of clean energy at all Deep Sky sites	**Short, Medium, Long**	The use of affordable renewable energy (solar, hydro etc.) lowers cost and the net carbon footprint of carbon capture, enabling more CDR credits to be sold.
Products and Services	Scaling carbon capture technology to megatonne capacities	**Medium, Long**	Capturing a dominant share of the CDR market by offering high-integrity, verified credits.
Markets	Access to compliance and international carbon markets	**Medium**	Expansion into Canadian and international regulated carbon markets, providing diverse revenue streams beyond voluntary buyers.
Resilience	Technology-agnostic approach to DAC	**Short, Medium**	The ability to pivot between different capture technologies protects against single technology failure.



RISK MANAGEMENT

Risk Management

CCUS is an emerging industry and therefore managing the risks associated with early-stage technologies is critical and central to achieving our mission. Deep Sky integrates the identification and management of climate-related risks directly into our operational workflows and roadmaps. Our approach is designed to be adaptive, focusing on project-level resilience and technical agility.

We identify and review climate-related risks and opportunities on a project-specific, continuous basis. This process is driven by our management team and project leads, who incorporate and monitor regulatory and market-related risks as part of their assessments, including global emissions targets and the evolving requirements of international carbon trading schemes. All identified risks are categorized by their probability and potential impact (high, medium, low), and are paired with a specific mitigation strategy. This structured approach ensures that we remain proactive in navigating the complexities of the carbon removal landscape.

Day-to-day management of risks is decentralized to our management team and project leads, ensuring the individuals with the deepest technical and operational expertise are involved. However, to ensure organization alignment, the CEO maintains a direct sightline into all risks identified as high or material to the organization, to ensure cross-functional impacts are identified and mitigated.

For each risk identified, an assessment is completed to determine the response, specifically whether to mitigate, transfer, accept or control the risk.

Internal materiality is determined by the management team, based on the risk's potential to disrupt our strategy or compromise the integrity of the carbon credits we deliver. By combining technical, project-level experience with leadership accountability, we ensure that our risk management is a dynamic process.

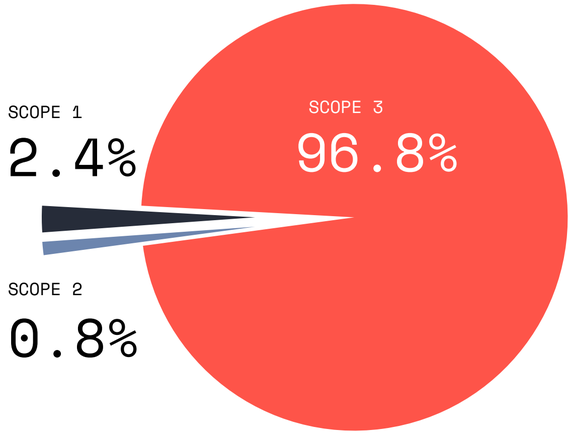
RISK LIFECYCLE

METRICS AND TARGETS

Deep Sky’s Greenhouse Gas (GHG) Emissions Footprint

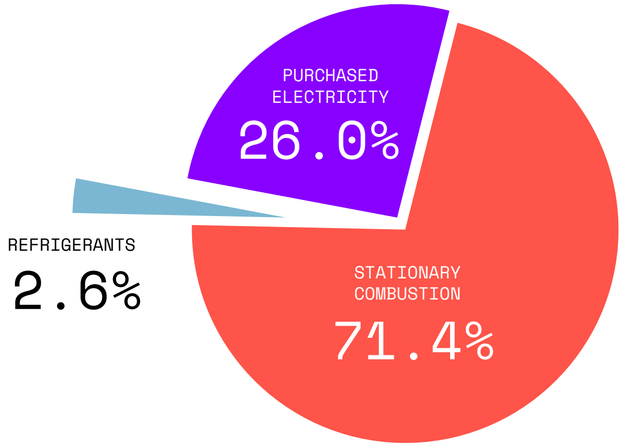
SCOPE 1, SCOPE 2 AND 3

Deep Sky collects data on Scope 1, Scope 2 and applicable Scope 3 GHG emissions categories, in alignment with the World Resources Institute’s (WRI) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Scope 3 GHG emissions are Deep Sky’s largest corporate emissions source, as our Scope 1 and 2 footprint is primarily from our corporate offices. The Deep Sky Alpha facility is excluded from our corporate emissions inventory, as its life cycle emissions are included in the carbon crediting process, using the robust Isometric DAC Protocol.



SCOPE 1 AND SCOPE 2

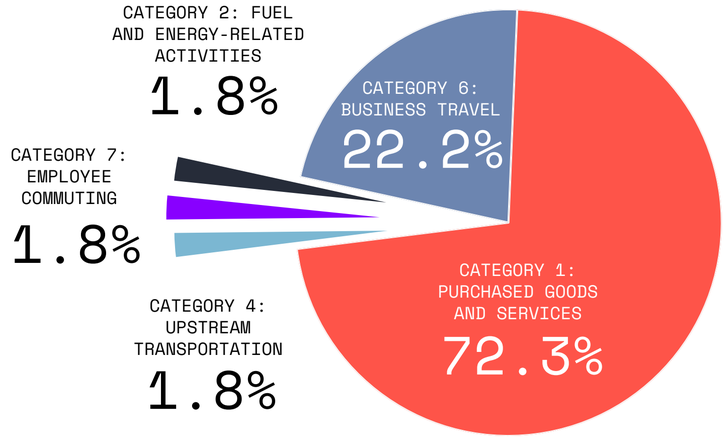
For Scope 1 and 2 GHG emissions, our primary emissions sources are stationary combustion and purchased electricity (location-based) from our corporate offices. We are continuously looking at ways to limit our corporate inventory footprint, including providing our employees with remote work options and recently closing one of our offices in early 2026.



All values were calculated by Deep Sky, and follow an operational control consolidation approach as defined by the GHG Protocol Corporate Accounting and Reporting Standard. Emission factors were sourced from the Department of Energy’s Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET) and the United States Environmental Protection Agency (EPA). GWP rates were sourced from the United Nations Intergovernmental Panel on Climate Change (IPCC) reports based on a 100-year timeframe.

SCOPE 3

For Scope 3 GHG emissions, we have identified and quantified the categories that are the most material to Deep Sky. Of these categories, Purchased Goods and Services is our largest source of emissions followed by Business Travel. Our Purchased Goods and Services category consists primarily of emissions associated with our research and development (R&D) and project development work in Black Lake, in Manitoba and in other jurisdictions. We continue to look for opportunities to minimize travel and expect these emissions to decline in the future.



Scope 3 GHG emissions were calculated in alignment with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors were sourced from the EPA and the Department of Environment, Food & Rural Affairs (DEFRA).

Emissions Reductions

Deep Sky aims to reduce its operational carbon footprint as we scale global carbon removal.

At our Deep Sky Alpha facility in Innisfail, we have secured a Virtual Power Purchase Agreement (VPPA) to power our site with renewable energy, and we continue to explore clean energy opportunities for future commercial sites. We are also actively reviewing our supply chain and working with DAC partners to prioritize low-carbon procurement in manufacturing processes and to minimize the carbon footprint of our DAC units.

Deep Sky is steadfast in its commitment to the Paris Agreement and supporting Canada's ambition to reach Net-Zero by 2050. Our organization is unique in that our entire organizational structure is purpose-built to directly support the achievement of these global and national targets. By deploying carbon removal infrastructure, we support customers in various sectors in meeting their emissions reduction goals through the procurement of CDR credits. We continue to review opportunities internally to reduce our own operational GHG emissions and as we mature as an organization, we will assess setting data-driven emissions reduction targets.

Ways Deep Sky is reducing its Scope 1-3 GHG emissions

Supply Chain Efficiencies

- Actively reviewing the supply chain to find low-carbon procurement opportunities.
- Rolling out our Supplier Code of Conduct, that outlines environmental standards we expect our Suppliers to follow.
- Partnering directly with DAC technology providers to minimize the inherent carbon footprint of the DAC units themselves.

Essential Employee Travel

- Implementing travel policies that avoid all non-essential business travel to minimize indirect emissions.
- Requiring the use of economy-class travel for all necessary flights to reduce the per-passenger carbon intensity of business trips.

Work From Home

- Maintaining a flexible work-from-home policy that reduces the emissions associated with daily employee commuting.

Low-carbon Powered Sites

- Prioritizing locations with access to low-carbon power for future commercial sites.
- Developing renewable power generation (wind, solar, geothermal), in collaboration with private developers, local communities and First Nations.

Next Steps

As this is our inaugural report and Deep Sky continues to expand its operational footprint, we will expand our reporting to further align with the recommendations outlined in the TCFD/IFRS guidance. Our future disclosures will focus on the following:

- **Governance:** We will continue to strengthen our oversight over climate governance. This includes considering expanding the Board's and Board Committees' mandates and further formalizing objectives across our management team to ensure implementation and integration of our climate strategy.
- **Strategy:** To test the long-term viability of our project portfolio, Deep Sky will review conducting a formal Climate Scenario Analysis. By modelling our business resilience against multiple future scenarios, including a 1.5°C Paris-aligned scenario, we will better understand the robustness of our strategy under multiple global climate outcomes.
- **Risk Management:** As our organization matures, Deep Sky will continue to move towards a more formalized, systemic risk process. This evolution will focus on the continued evaluation of climate-related risks and opportunities and integration with Deep Sky's broader risk identification processes, ensuring that our risk appetite remains aligned with our mission to reverse climate change.
- **Metrics and Targets:** Our next phase will focus on working towards the full disclosure of our emissions footprint to provide our stakeholders and investors with a transparent benchmark for our operational and strategic success.

Forward-looking Information

Certain statements contained herein constitute forward-looking information and statements (collectively, "forward-looking statements"). When used, the words "expect", "will", "could", "would", "continue", "plan", "intend", "aim", "commit" and similar expressions are intended to identify forward-looking statements. In particular, this report contains forward-looking statements regarding, among other things: Deep Sky's commercial infrastructure strategy, targets, and environmental claims, which are outlined under the following five focus areas: (i) scaling commercial carbon removal facilities, including the multi-phase deployment and capacity targets of its project portfolio; specifically the planned construction of Deep Sky One to achieve an ultimate annual capacity of 500,000 tonnes, with construction on the initial 30,000 tonnes of capacity projected to begin in 2026; (ii) deploying technology-agnostic DAC solutions, including the capability of vendor units to extract CO_2 directly from the ambient atmosphere; expectations that operational scaling will deliver the vital negative emissions required to bridge the gap to global goals, flatten the global emissions curve, and cause it to reverse; and the ongoing optimization of multiple technologies under real-world conditions at the Deep Sky Alpha facility in Innisfail, Alberta;

(iii) advancing permanent geological sequestration and mineralization, including specific testing, notably the injection of dissolved CO_2 into underground mafic and ultramafic rocks at the Black Lake/Thetford Mines site to permanently convert it into calcite rock without harmful byproducts or risk of returning to the atmosphere; (iv) delivering certified CDR credits, including the verification of every net tonne removed via robust MRV frameworks; and the generation and fulfillment of commercial offtake agreements, including contractual commitments to remove 10,000 tonnes of CO_2 over a 10-year period for founding buyers Microsoft and Royal Bank of Canada (RBC); and (v) securing clean energy access and local social license, including plans to lower our corporate footprint through supply chain efficiencies and developing our own renewable power generation (wind, solar, geothermal), alongside efforts to build deep local integration and governance through structured dialogue and early engagement frameworks, such as the landmark agreement executed with the W8banaki Nation.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such statements. No assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this report should not be unduly relied upon.

Deep Sky does not undertake any obligation to publicly update or revise any forward-looking statements except as required by law. Actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties including, but not limited to: general economic, market, and business conditions; risks associated with the early-stage, emerging nature of the CCUS market; technology risk, including the unproven scalability, technical underperformance, or unexpected operational downtime of specific vendor DAC units; the capability of securing and maintaining sufficient blocks of low-emission electricity fast enough to match demand; policy, legal, and regulatory risks, including changes to Canada's CCUS tax credits, project delays from missing regulation in certain jurisdictions, suppressed credit demand from the rollback of Paris Agreement commitments, and Canada's current lack of a framework for issuing LOAs, which are required for the export of CDR credits; failure to secure or maintain vital social license to operate from local communities and Indigenous groups; physical climate risks directly disrupting supply chains or capture efficiencies, including extreme cold waves freezing liquid sorbents, or smoke from increased wildfire frequency clogging air contactor filters; and Deep Sky's ability to identify, attract, and retain essential managerial, operational, and technical talent.

DEEP SKY

2026
Climate Disclosure
Report

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