



ENVIRONMENTALLY
SOUND TECHNOLOGY
SOLUTIONS

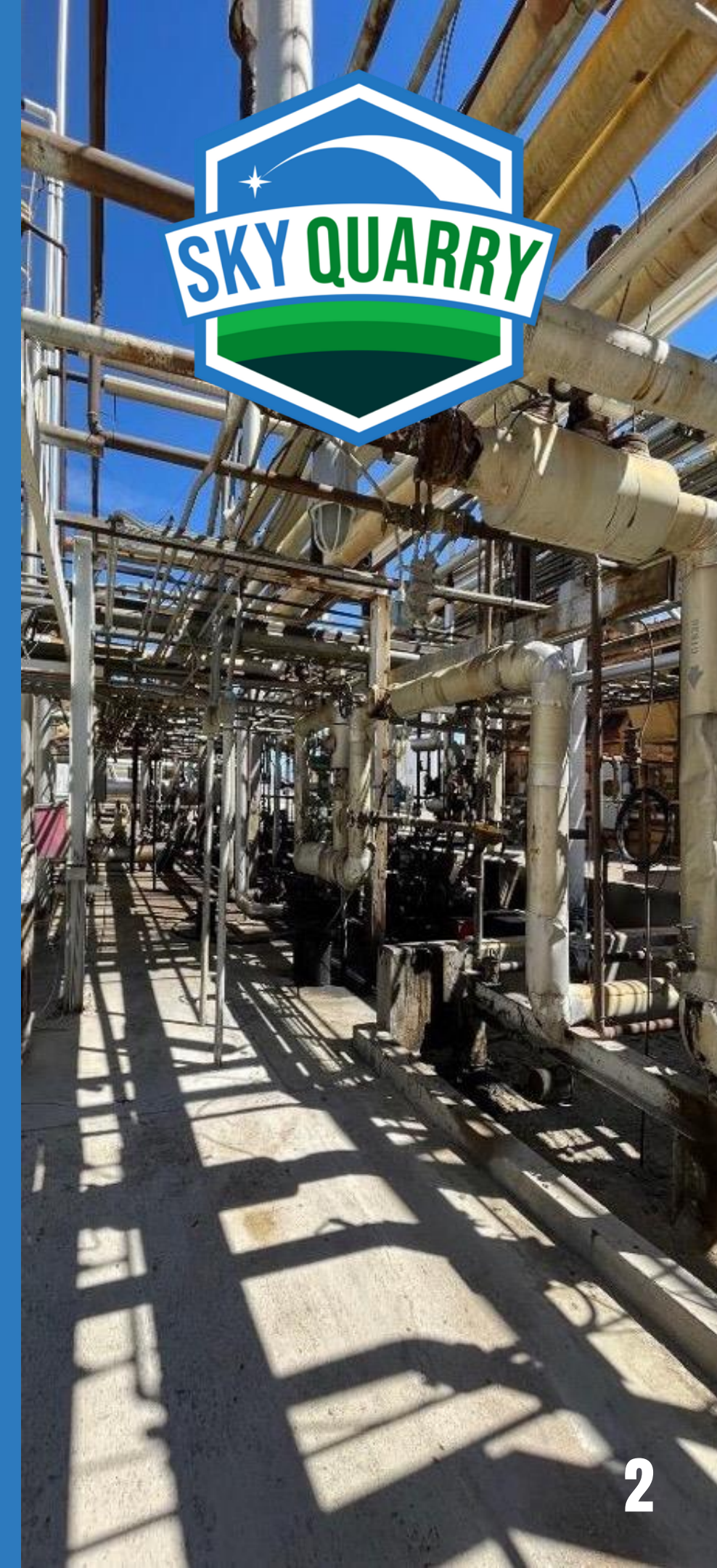
Investor Presentation

NASDAQ: SKYQ
October 2024



Disclaimer

This presentation may include "forward-looking statements." All statements pertaining to our future financial and/or operating results, future events, or future developments may constitute forward-looking statements. The statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project," or words of similar meaning. Such statements are based on the current expectations and certain assumptions of our management, of which many are beyond our control. These are subject to a number of risks, uncertainties, and factors, including but not limited to those described in our disclosures. Should one or more of these risks or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance, or our achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. We neither intend, nor assume any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. You are urged to carefully review and consider any cautionary statements and the Company's other disclosures, including the statements made under the heading "Risk Factors" and elsewhere in the offering statement filed with the SEC. Forward-looking statements speak only as of the date of the document in which they are contained.



Corporate Overview



Sky Quarry is an integrated energy solutions company committed to revolutionizing the waste asphalt shingle recycling industry.

Sustainability Focus: Actively leading the energy transition towards more sustainable methods by conserving resources, reducing landfill waste, and minimizing emissions.

Large Market Opportunity: Helping to solve the 15M+ ton problem of asphalt shingle waste generated annually which is valued up to \$4.4B.

Accelerating Growth: Revenue grew 211% YoY to \$50.7M in FY 2023.

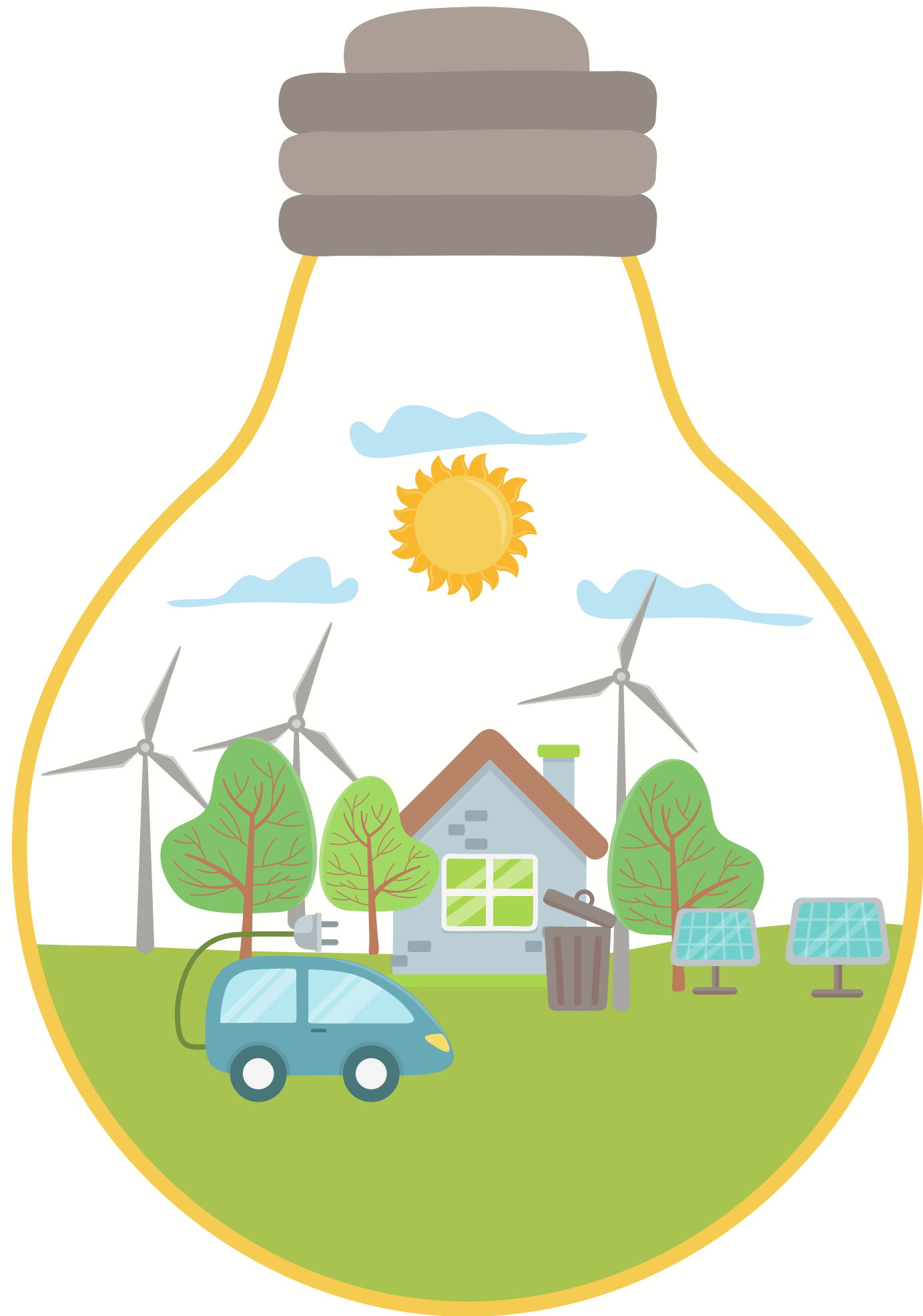
NASDAQ:

SKYQ

[Bookmark this link](#)

Share Price ¹	\$4.15
Market Cap ¹	\$77.9M
Revenue (FY 2023)	\$50.7M
Shares Outstanding	18.8M
Float	12.6M
Headquarters	Woods Cross, UT

1. As of October 17, 2024



What is Energy Transition?



A GLOBAL EFFORT

Energy transition is the shift from one form of energy production and consumption to another, usually to address environmental concerns like reducing emissions while promoting energy security, affordability, and sustainability.

The International Energy Agency's Sustainable Development Scenario (SDS), an aggressive decarbonization forecast, shows an ongoing, long-term role for oil and gas, even while demand levels are reduced from where they stand today, according to a January 2020 report from the Atlantic Council.

The Problem

Currently, there are no sustainably viable solutions for the disposal of waste asphalt shingles.



15M

*According to a 2018 report by the EPA, 15M tons are dumped into landfills annually, the equivalent to 22M barrels of oil ("bbls").

700M

An estimated 700 million tons of asphalt shingles have been dumped into landfills since 1960.

80%

Of North American homes have asphalt shingle roofing. An average house generates 2-3 tons of tear-off waste shingles.

300yrs

Asphalt shingles can take anywhere from 300 to 500 years to decompose, leaching harmful toxins into top soil & surface water as the shingle elements break down.



*Source: EPA, "[Advancing Sustainable Materials Management](#)," December 2020, pg 23

Our Fully Integrated Solution



THE IDEA

In 2019, the Sky Quarry team recognized the untapped potential of an already established oil extraction technology. Leveraging their expertise, they conceived of a groundbreaking application capable of separating waste shingles into clean oil and other valuable materials to transform an environmental challenge into a profitable and sustainable prospect.

THE OPPORTUNITY

In 2020, the Company seized the opportunity to acquire the PR Spring facility and in 2022, the Foreland Eagle Spring Refinery, marking the start of Sky Quarry's journey into the sustainable energy sector.

How Does Shingle Extraction Technology Work?

The innovation lies in our patented ECOSolv™ technology which has a material recovery rate up to 95% & recycles up to 99% of its solvent and recovers up to 99% of hydrocarbons.



KEY ADVANTAGES

ENERGY EFFICIENT

CLOSED LOOP SYSTEM

CLEANER METHOD

ECO-FRIENDLY



GRIND

Waste asphalt shingles are ground into coarse granular chunks, nails removed.

MIX

The ground up material is then introduced to our solvent, creating a fluid slurry that dissolves the bitumen.

EXTRACT

The bitumen and solvent rise to the surface, while the solids sink. The remaining solids are then sorted, cleaned, and prepared for market.

DISTILL

Heat is applied to separate the bitumen from the solvent. The bitumen is then stored and the solvent is captured for re-use.

What Does the Sustainable Energy Process Look Like?

Waste asphalt shingle tear-offs are collected from roofing projects.

Average size house, generates 1.5 to 3 tons of roofing tear-offs.

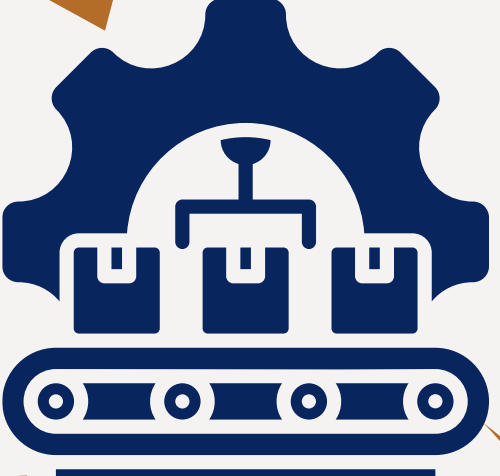


The waste shingle material is then transported to one of our modular collection facilities.



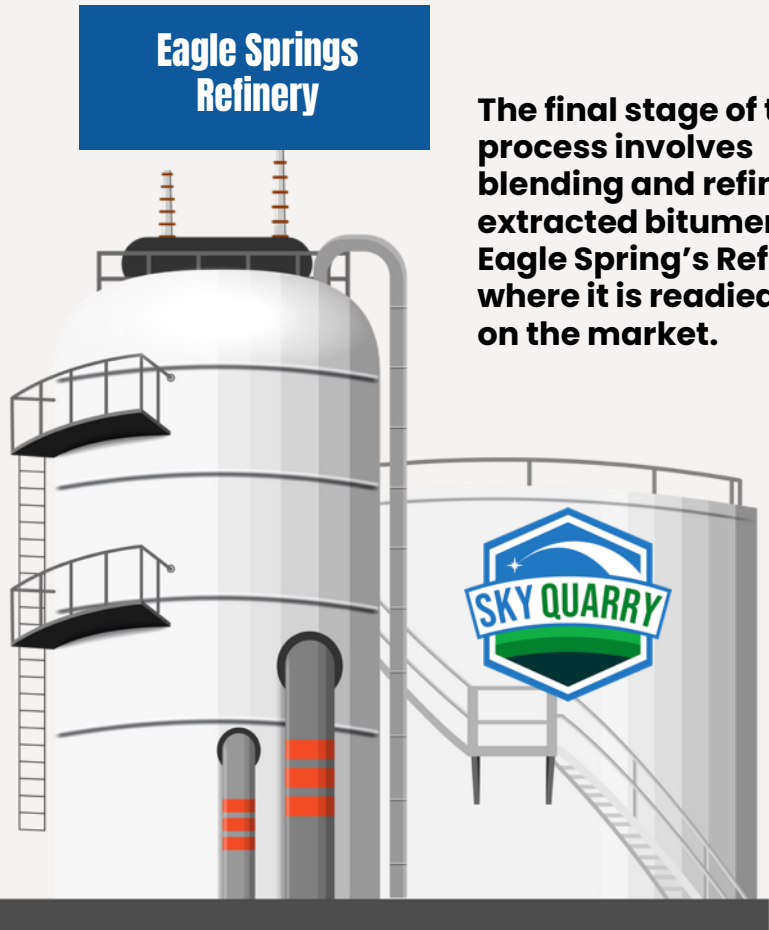
TIPPING FEES

Here the material is sorted, with sand and granules separated to be sold locally. The bitumen and limestone are ground up, briquetted, and shipped to Utah for the final extraction processing.



PRODUCT SALES

The final stage of the process involves blending and refining the extracted bitumen at our Eagle Spring's Refinery where it is readied for sale on the market.



PR Spring Extraction Facility

At our extraction facility in PR Spring, Utah, our proprietary technology is put to work separating the bitumen from the ground-up material and then sent to our refinery in Nevada.



REGIONAL SALES

- LIQUID ASPHALT TACK COATING
- CRUDE & DIESEL FUEL
- LIMESTONE POWDER
- FIBERGLASS
- NAPHTHA
- CARBON CREDITS





Acquired 2020

The Facility is situated on nearly 6,000 acres of land with an estimated resource of approximately 180 million barrels of hydrocarbon resources and was built at a cost of \$50M.

PR SPRING FACILITY, UTAH

Foundation For Our Operations

Liquid asphalt serves as the cornerstone for our waste-asphalt-shingle recycling, processing and blending operations.

High Production Value

With a designed capacity of 2,000 barrels per day, PR Spring will be utilized to extract oil from both shingles and hydrocarbon resources.

Solvent Technology Retrofit & Launch

The retrofitting is currently in progress and is expected to be completed and commissioned in 2025, making it the largest facility of its kind. We have already invested \$5.5 million in this initiative. We anticipate the remaining completion costs to be \$4 million.



EAGLE SPRINGS REFINERY ELY, NEVADA



Acquired 2022

Immediately accretive to our revenue and free cash flow and is expected to be refining blended sustainable oil in 2025.

High Production Benefits

Historically Processed 485,000 barrels of oil annually with a goal to increase this to 1 million bbls of sustainable oil per year.

Renewable Oil Vertical Integration

A natural offtake for PR Spring facility, positioning us to refine our sustainable oil and capture the “premium” value that sustainable refined products will demand.

Exceptional Value

The Refinery is undervalued in the market. Current rebuild replacement value for the facility would exceed \$70 million.

Our Sustainable Business Model

TIPPING FEES

One of the most compelling aspects of our business model is that we will get paid to receive waste asphalt shingles, which is called a "tipping fee."

\$45-\$150/TON

These tipping fees range from \$45 to \$150 a ton and are anticipated to cover most, if not all, of the costs to process & break down the shingles.

\$94/TON

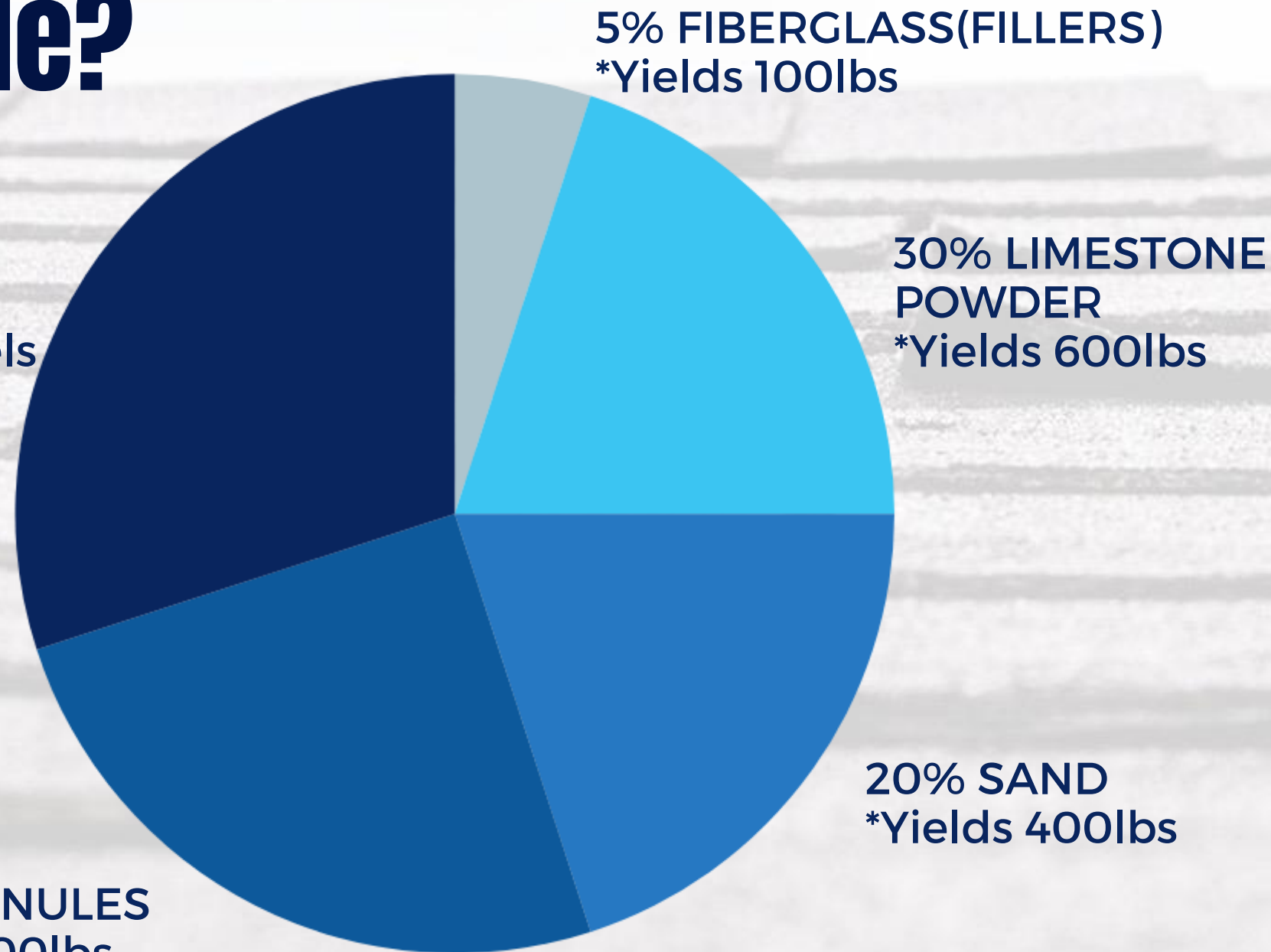
The average tipping fee in Southern CA is \$94/ton. National average tipping fees start at \$54 with an expected growth of 8% annually.

PROFIT LINE

Since the costs to separate and recover shingle components are covered by the tipping fees, nearly all revenue from WAS recovered products contributes directly to the profit line.



What Makes Up An Asphalt Shingle?



Every Ton of Recovered Asphalt Shingles Is Expected To Be Worth About \$295, And Can Be Sold On The National Infrastructure Products Market.

ESTIMATED PRODUCT VALUE PER TON OF WAS:

- *BITUMEN-\$123**
- GRANULES- \$30**
- SAND \$20**
- LIMESTONE POWDER-\$22.50**
- FIBERGLASS \$100**

*Yield amount is per ton of asphalt shingle waste.

*Asphalt shingles contain anywhere between 15-35% of a liquid asphalt binder called "bitumen," which is a key ingredient of hot-mix asphalt used in road construction.
*WTI Crude oil price per barrel is \$82.13

The National & State Regulatory Landscape

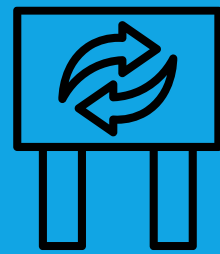


As the EPA and regional governments move towards banning shingle landfill disposal, Sky Quarry is poised to become one of the few viable options for shingle waste disposal. The regulatory shift would allow Sky Quarry to command potentially higher tipping fees, benefiting from increased regulatory controls.



Priority

US EPA 2022 Sustainable Materials Management plan's number one objective is to reduce landfill waste.



Recycle Rates

*28% of North American states have implemented construction and demolition waste diversion rates or recycling requirements, with California reaching up to 75% in some areas.



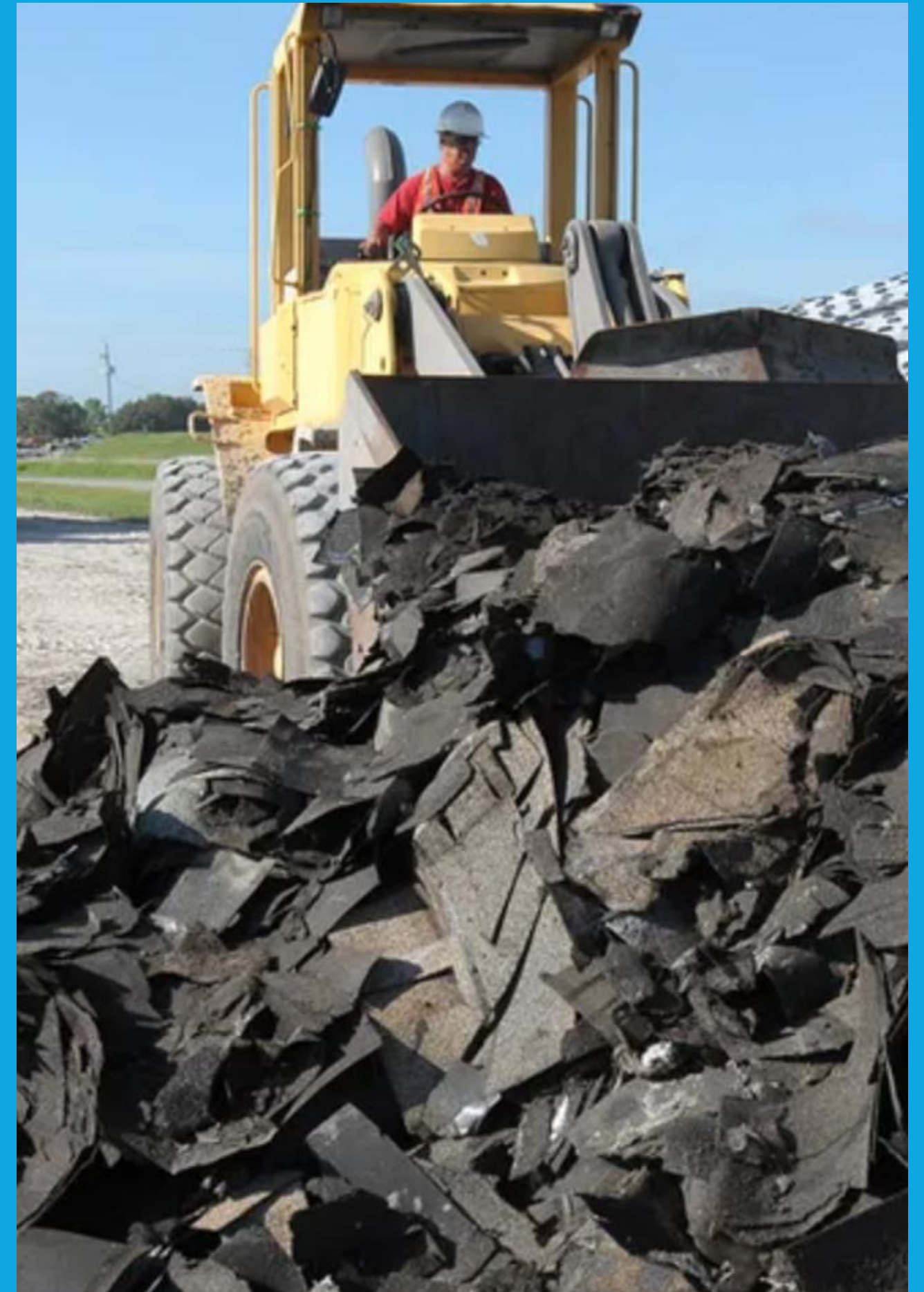
Landfill Bans

Legislation banning asphalt shingles from landfills will likely prompt use in recycling. Vermont Act 175 banned landfill disposal, other states expected to follow.



Premium Fees

California is contemplating a recycle fee for shingles. Transfer stations are charging a premium for receiving waste shingles because they don't want the material.

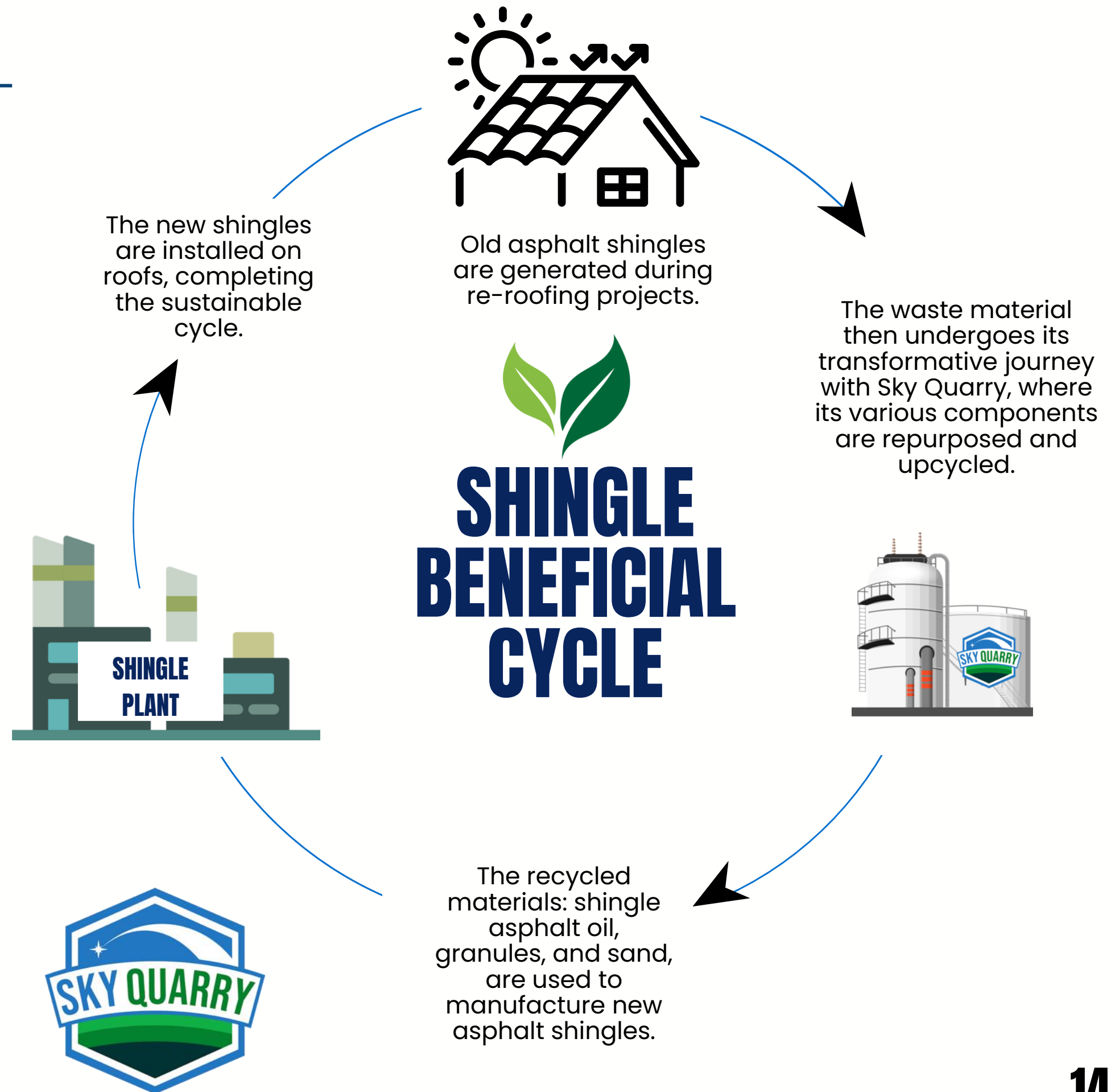


[Source: Northeast Recycling Council: Summary Report of U.S. State & Municipal C&D Regulations & Requirements](#)

Fostering Sustainability

Mottanai is a centuries old Japanese philosophy that embraces the idea of respecting resources and their value while also reducing waste.

Our integrated approach not only exemplifies mottanai's balance of resource efficiency and value creation but it also makes economic sense. It reduces disposal costs and the need for new sourcing carbon intensive raw materials, while also creating valuable products from waste, conserving natural resources, and reducing environmental impact.

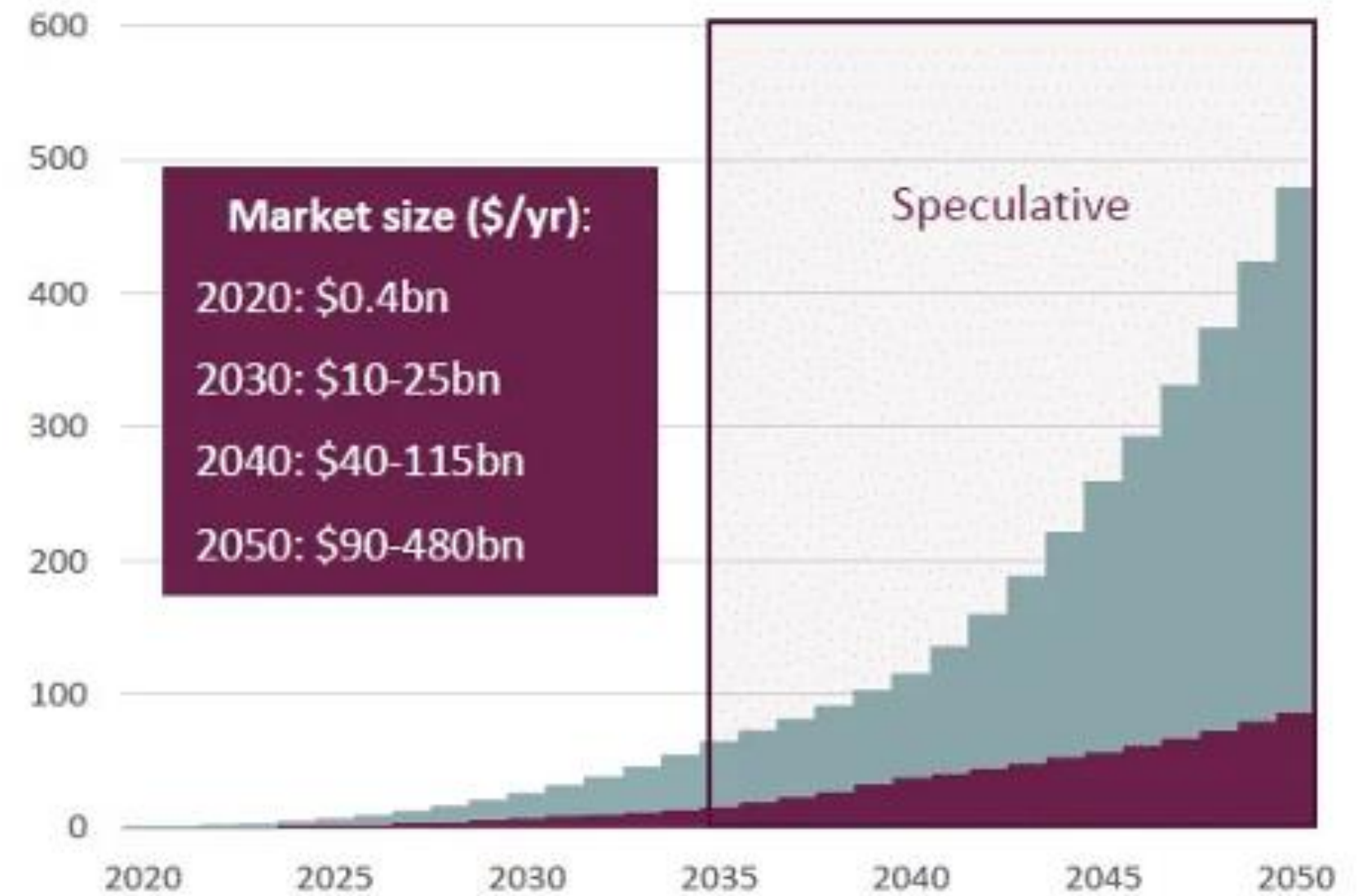


Carbon Capture Opportunity



Recycling asphalt shingle waste qualifies for valuable carbon credits by significantly reducing greenhouse gas (GHG) emissions. This process not only helps mitigate climate change but also plays an essential role in carbon credit systems, presenting a unique opportunity for Sky Quarry to contribute to environmental sustainability while also gaining financial benefits.

Voluntary Carbon Market Value (\$bn/yr, 2000 prices)



While the voluntary carbon market was estimated to be worth about \$400 million last year, forecasts place the value of the sector between \$10-25 billion by 2030, depending on how aggressively countries around the world pursue their climate change targets.

Source: <https://carboncredits.com/the-ultimate-guide-to-understanding-carbon-credits/>



Why We Believe Sky Quarry is Built for Success

WE HAVE REVENUE

Our refinery generated over \$50 million in revenue in 2023. With the heavy oil produced at PR Spring set to be refined at the Eagle Springs refinery, we anticipate even greater production levels and increased revenues.

Revenue Growth

Since the acquisition of Foreland Refining Corporation, we have not only seen increased revenue and cash flow, but have also broadened our capabilities and fortified our position in the oil and energy industries.

1

ASSET STRONG

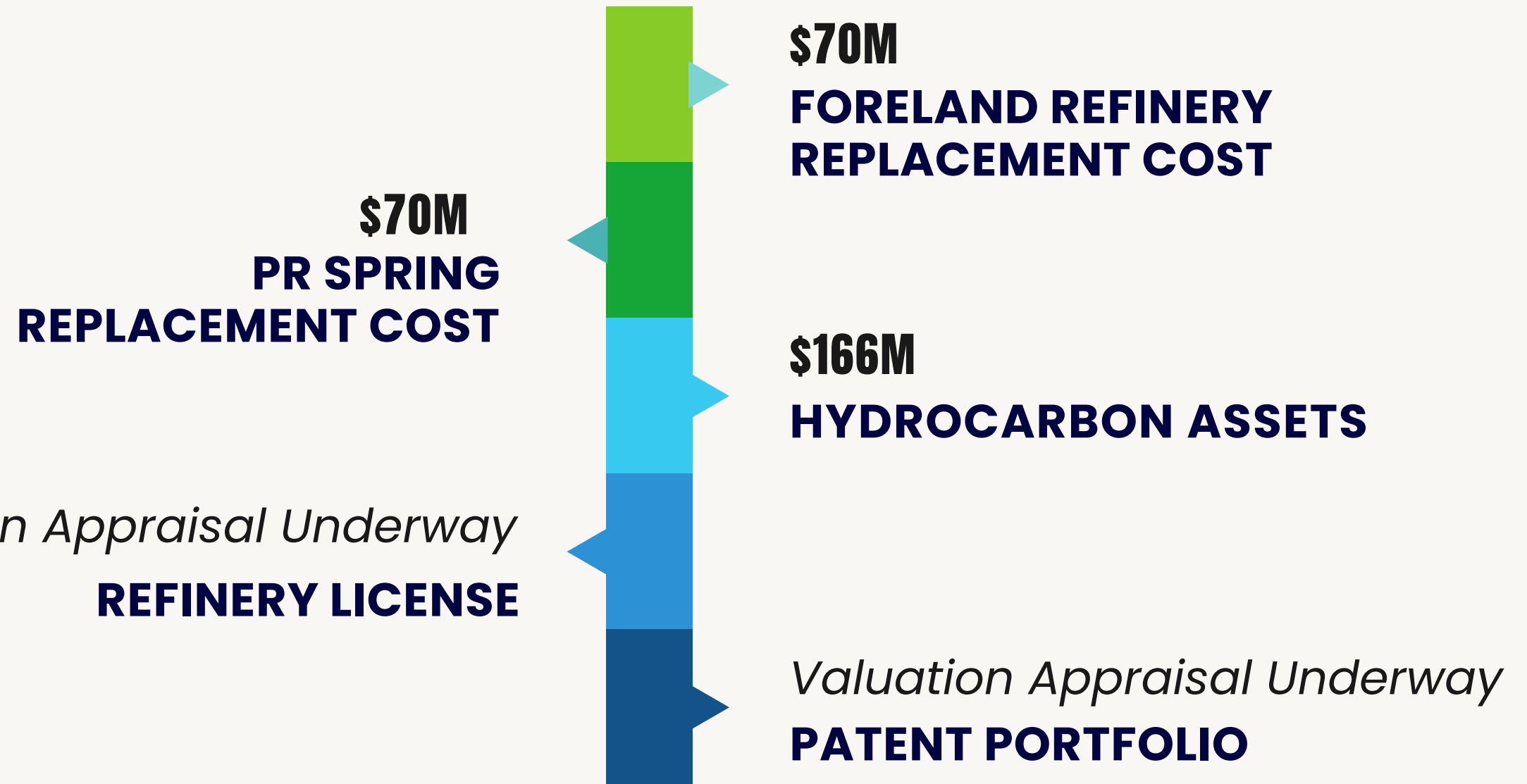
Sky Quarry has amassed significant assets with cash and strategic value. Our fully integrated operation spans from extraction to refining. This vertical integration enhances efficiency and control over the entire production process.

RAPID SCALABILITY

Our adaptable infrastructure enables us to rapidly scale operations, fortify feedstock supply chains, explore diverse revenue avenues, including regional sales, ensuring sustained growth and market leadership.

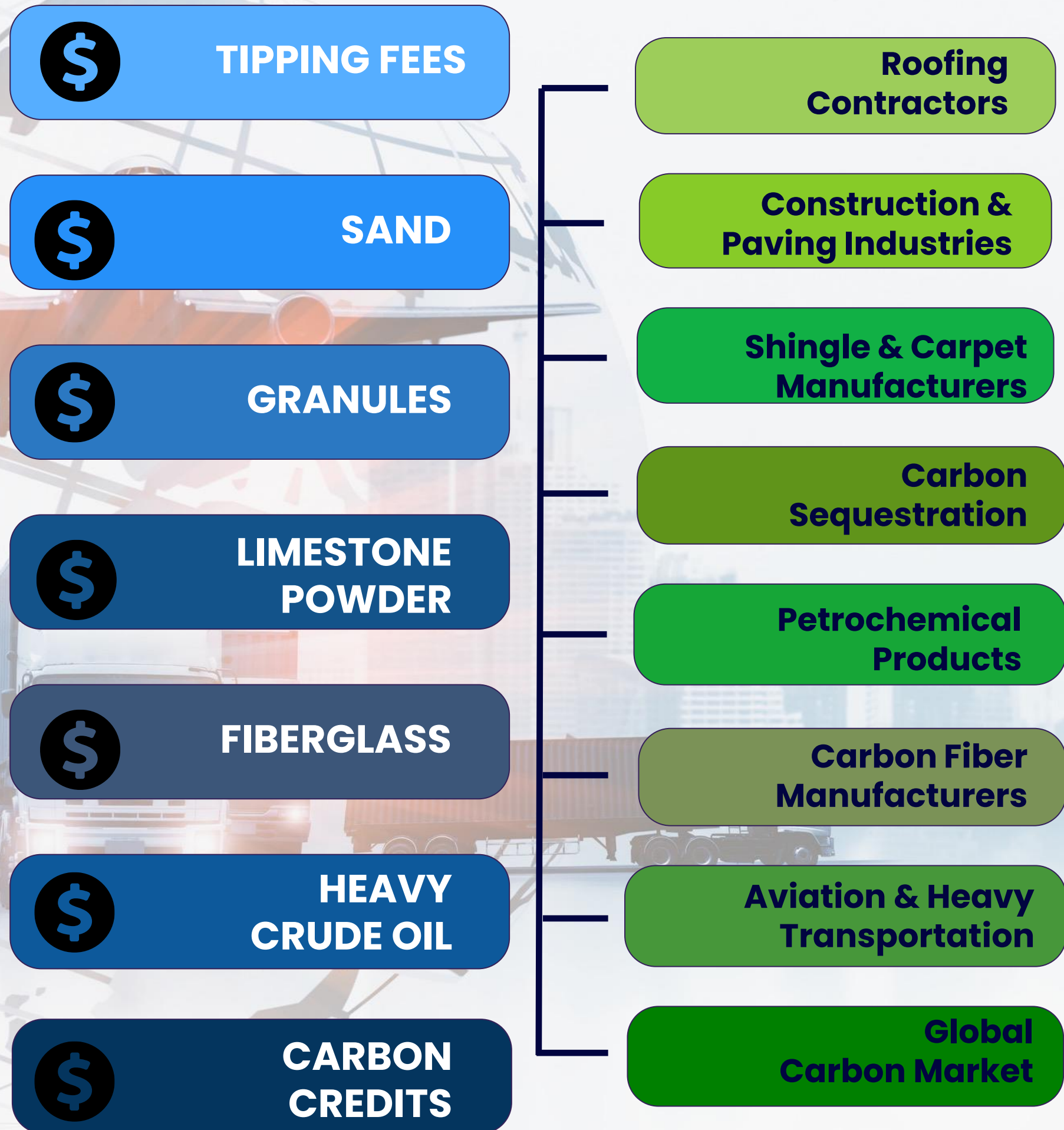


Asset Portfolio



Multiple Revenue Streams

7



Expansion Strategy

Modular Facilities



Sky Quarry is in the process of establishing smaller self-contained facilities nationwide that will receive and process asphalt shingle waste in areas with the largest concentration of the material and have the highest "tipping fees".

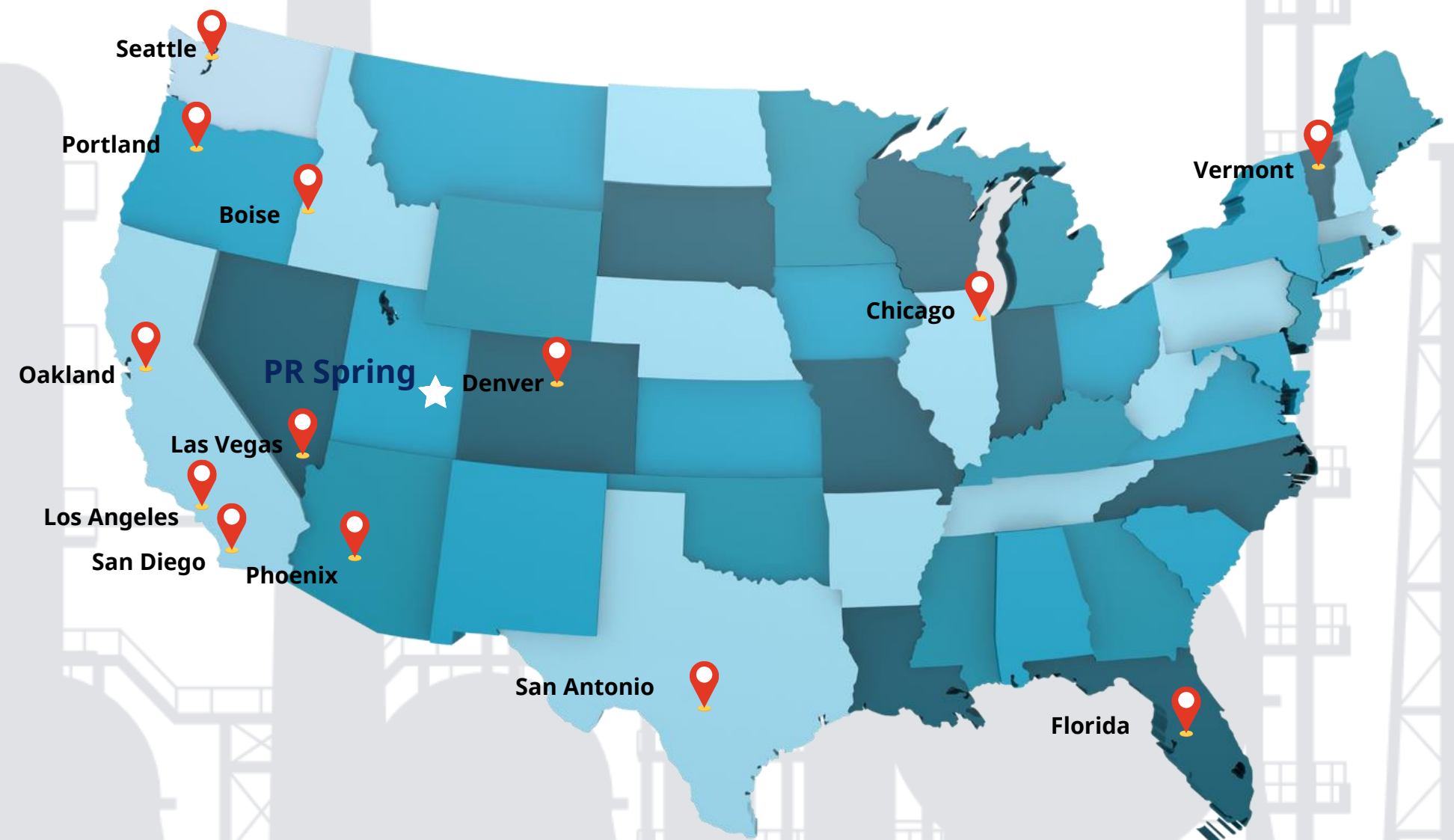
Immediate revenue through the regional sales of reclaimed aggregate materials.

The first unit is estimated to be in place in Q2 2025, with two additional front-end units to be deployed by 2026.

Expected to provide 400-500k tons of asphalt shingle feedstock to PR Spring.

Revenues expected of up to \$5 million per facility with initial 2 year payback.

RAW MATERIAL SOURCES





What Does the Future Hold?



Waste Shingle Offset Program

Sky Quarry is launching a program to help homeowners divert asphalt shingle waste from landfills. By purchasing offsets through our online store, homeowners can offset the equivalent amount of shingle waste generated from their roofing project. A medium sized roof will start at \$385.



Carbon Credit Market

Sky Quarry intends to capitalize on carbon credit schemes across all available markets and is exploring the potential of extending operations to carbon sequestration by storing carbon in its residual limestone powder. The Company has committed to be carbon neutral by 2034

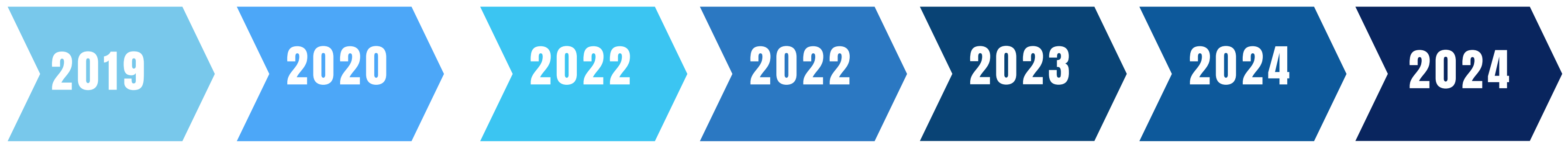


Hydrocarbon Processing

Sky Quarry plans to develop its hydrocarbon processing capabilities in an economically viable and environmentally sustainable manner, offering a promising opportunity to meet the growing demand for heavy crude oil and significantly contribute to the energy sector.

Significant Milestones

In just a few years, we have acquired two substantial processing facilities: a cutting-edge oil extraction facility with mineral leases estimated to hold over 180 million barrels of hydrocarbon resources, and a 5,000-barrel-per-day oil refinery in Nevada. These acquisitions provide us with an integrated capability from extraction to refining.



Sky Quarry is Incorporated.

Acquired 2020 Resources LLC. ("PR Spring") a hydrocarbon remediation facility.

Acquisition of Foreland Refining Co, which is engaged in the refining of heavy crude oil into diesel and other petroleum products.

Held a successful crowdfund & raised over \$18mm, with 7,000+ subscribed.

Retrofitting of PR Spring is 60% complete, commissioning to start in 2025.

Conducted a highly effective warrant exercise, with over \$4M subscribed.

Conducted a public offering and listed on the NASDAQ October 10, 2024.

Financial Results Summary



(\$ millions)	Second Quarter Ended June 30,		YoY	Year Ended December 31,		YoY
	2024	2023	Δ	2023	2022	Δ
Revenue	\$14.3	\$24.8	-42%	\$50.7	\$16.3	211%
Gross Profit	0.5	4.2	-89%	2.9	3.7	-21%
Operating Expenses	2.9	3.6	-17%	4.3	5.1	-17%
Operating Income (Loss)	(2.5)	0.7	--	(1.4)	(1.5)	--
Net Income (Loss)	(6.0)	0.8	--	(4.4)	(2.7)	--

Consolidated Balance Sheet



<i>(expressed in \$000's)</i>	June 30, 2024	December 31, 2023
Assets		
Cash and Cash Equivalents	\$432	\$327
Total Current Assets	4,855	6,396
Total Assets	\$27,669	\$28,176
Liabilities		
Total Current Liabilities	15,483	12,871
Total Liabilities	\$17,863	\$15,088
Equity		
Total Stockholder's Equity	\$9,805	\$13,088
Total Liabilities and Equity	\$27,669	\$28,175



\$29.5M in Crowdfunding

In 2022 Sky Quarry completed a successful **\$18M+** crowdfunding, creating an investor base exceeding **7,000+** individuals and institutions.

This offering ranks in the **top 1% of crowd fundings ever!**



From July 1, 2024 to August 15, 2024 Sky Quarry issued an aggregate of **1,063,961 shares** of its Common Stock pursuant to its Reg A Offering Warrant Exercise for gross proceeds of approximately **\$4.8M**.

Sky Quarry completed a follow-up crowdfunding offering for **\$6.7M** with an investor base of **3,800+** on October 9, 2024, positioning the Company for its **NASDAQ debut on October 10, 2024.**



Join Us As We Take the Stage At

NASDAQ[®]

Now listed on
NASDAQ under symbol "SKYQ"



Our Leadership



David Sealock
Founder,
Chairman, CEO

Mr. Sealock

is a highly accomplished, results driven senior executive leader with over 30 years of strategic management and business leadership. He has a track record of building high-performing teams with a strong focus on setting corporate strategy, executing over \$2.5Bn in equity and debt transactions, joint ventures and M&A deals.

David has an BSc. in business management as well as electrical technologist engineering and is a Registered Engineer with ASET.



Marcus Laun
Founder,
Director,
EVP

Mr. Laun

has spent the past twenty years as a founding principal or senior advisor to over fifteen publicly and privately held companies. His experience includes advising and investing Nurture Inc an organic baby food company which eventually sold to Group Danone for \$250mm. He is founder and CEO of GrowthCircle.com and Geopulse Exploration Inc.

Marcus has a BS in Hotel Management from Cornell University, and an MBA from Columbia University.



Darryl Delwo
CFO


Mr. Delwo


has over 25 years experience building and leading finance teams in global companies with significant operating scale and complexity. He has held senior positions in high growth public and private firms, providing strategic oversight to finance and operations, including \$150mm of M&A activity, and joint venture and refinancing transactions.

Darryl has a BC in Accounting & Business Management from University of Calgary, holds CMA and CPA designations from CMA and CPA Alberta.

Thank You!

Contact Us

 +1 424-394-1090

 707 W 700 S, Suite 101
Woods Cross, UT 84087

 ir@skyquarry.com

 www.skyquarry.com

