



KLIMAT X DEVELOPMENTS INC. CONCLUDES INITIAL BIDDING PROCESS FOR SIERRA LEONE PROJECT WITH AN APPROVED TERM SHEET AND IS ADVANCING TO DEFINITIVE AGREEMENTS

VANCOUVER, BC, April 17, 2023 /CNW/ - Klimat X Developments Inc. ("Klimat X" or the "Company") (TSXV: KLX), is pleased to announce the conclusion of the initial bidding process for carbon credits that will be produced from the first 5,000 ha of the company's Sierra Leone Rewilding Project. The process attracted 16 prospective buyers, ranging from trading houses to large emitters that are seeking a secure supply of carbon credits to meet their Net Zero obligations. Under the terms for the Phase 1 project, the large carbon credit buyer ("Buyer") will receive the right to pre-purchase up to 100% of the credits produced from first 5,000 ha, and includes a right of first refusal to purchase credits from the remaining 20,000 ha within this first project area. The company has secured rights to a total of 57,000 ha of land in country and continues to grow the land base.

Klimat X's innovative development model enabled the Company to move rapidly from project concept to pre-purchase sales terms with significant final buyers in 4 months. The Company has 3 additional projects in Sierra Leone that will soon be available for pre-purchase under similar terms and has projects under development in Mexico, Suriname and Pakistan.

Highlights:

- Under the terms of the pre-purchase agreement, the Buyer will fund Capital Expenditures on the Sierra Leone reforestation project (the "Project") through upfront cash payments, that will be repaid through the delivery of validated carbon credits at a pre-agreed price that reflects a premium relative to current average prices. The term sheet provides the buyer with an option to purchase the balance of the tonnes at a price linked to a relevant carbon price index.
- Based on a near-final version of the Project Design Document (PD) prepared by [Ecosecurities](#), the initial 5,000 ha project area is expected to produce approximately 1,400,000 tonnes of carbon credits over the initial contract period of 20 years. Reforestation with native species at the project site started in Spring 2022. Approximately 400 ha has been planted to date with a further 1,000 ha planned for summer of 2023.
- Klimat X's initial investment of USD ~\$2 MM into the initial project area is expected to generate USD \$141-211m cumulative revenues over the total lifespan of the project. Under the option to expand to 25,000 ha, the company would expect to generate USD \$721 MM to \$1.08 BB in cumulative revenues. Recognizing that NPV calculations discount future revenues significantly, the conservative project-level NPV is USD \$26m with an IRR of 14%. Scaled up by the additional 32,000 ha the company has secured, the full project NPV is USD \$59m.
- Klimat X anticipates that the term sheet will become fully binding upon completion of the full transaction agreement; the company expects to complete this within 5 weeks. Since there was strong competitive interest in the project, Klimat X has established a long close date of 15th June to complete the definitive agreements.
- The project targets Sustainable Development Goals 1, 2, 5, 8, 13 and 15, providing employment in Sierra Leone to over 2,000 people, reducing poverty through employment creation and revenue sharing and improving gender equality by ensuring at least 20% of those hired are women. The project establishes a new high standard for smallholder carbon projects in Africa

and is based on independently monitored Free, Prior and Informed Consent (FPIC).

Klimat X is currently developing 3 projects in Sierra Leone with a total of over 39 MM tonnes in pipeline carbon credits making the Company the most prominent carbon project developer in the country. Klimat X is also active in Guyana, Suriname, Mexico and Pakistan as an asset manager and project developer.

"The scale and scope of this agreement demonstrates Klimat X's ability to engage with multi-national companies who recognize and value our expansive project portfolio," comments Dr. James Tansey, Klimat X CEO. "This agreement aligns with our commitment to be the trusted jurisdictional-scale carbon project developer to large buyers. Klimat X is delighted with this agreement as it validates our development model that is supported by deep in country relationships. Furthermore, the agreement funding terms are proof of the Company's ability to efficiently deploy shareholder capital to generate extended project cash flow.

About Klimat X

Klimat X carries on the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas and marine ecosystems, including mangroves, for sale into international voluntary carbon markets. In contrast to streaming and royalty companies, Klimat X works upstream as a direct owner and operator of projects, addressing a key supply constraint the current market and the rapidly growing demand for carbon credits in global voluntary and regulated markets. The Company intends to achieve this by investing in the exploration, restoration and management of terrestrial and marine systems that can either be protected to enhance the sequestration of greenhouse gases or restored from a degraded status to fully productive ecosystems. Klimat X draws on the experience of a seasoned executive team and Board that provide access into key target jurisdictions through relationships in the mining and natural resources sectors, combined with decades of experience in carbon markets. Klimat X plans to deploy capital at risk under various arrangements (including cooperation, assignment and production sharing agreements) with large land owners and governments in various suitable jurisdictions around the world.

Reader Advisory


Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "will", "intends" "expects" and similar expressions which are intended to identify forward-looking information or statements. Klimat X cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of Klimat X. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Klimat X. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this

press release, and Klimat X does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

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CNW 09:31e 17-APR-23