FORM 51-102F3
Material Change Report

MATERIAL CHANGE REPORT UNDER SECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT NO. 51-102

Item 1. **Reporting Issuer**

Base Carbon Inc. (formerly 1278411 B.C. Ltd.) (the "**Company**")
118 King St. E, Suite 902
Toronto, Ontario
M5C 1C4

Item 2. **Date of Material Changes**

February 23, 28, March 1, and 3, 2022.

Item 3. **Press Releases**

On February 25, 2022 and March 2, 2022, news releases in respect of the material changes were disseminated through the facilities of Cision and GlobeNewswire, respectively.

Item 4. **Summary of Material Change**

On February 23, 2022, the Company, formerly 1278411 B.C. Ltd. (the "**Company**"), completed its previously announced reverse takeover ("**RTO Transaction**") with Base that resulted in the reverse take-over of the Company by Base and its securityholders.

On March 1, 2022, the Company, through Base Carbon Corp. ("**Base**"), acquired an additional 30% of Hardwick Climate Business Limited ("**HCBL**") resulting in a total ownership of 49.9% pursuant to a planned phased acquisition as set out in the terms of an investment agreement between, among others, HCBL and Base.

On February 28, 2022, the Company received final approval to list on the NEO Exchange Inc. (the "**NEO Exchange**") and commenced trading on March 3, 2022 under the symbol "BCBN".

Item 5. **Full Description of Material Change**

On February 23, 2022, the Company completed its previously announced RTO Transaction with Base that resulted in the reverse take-over of the Company by Base and its securityholders.

Following the Transaction, the leadership team of the Company is as follows:

- Michael Costa — Chief Executive Officer and Director
- Wes Fulford — Chief Financial Officer
- Philip Hardwick — Chief Operating Officer

- Andrew Fedak —Chief Strategy Officer and Director
- Ryan Hornby — Chief Legal Officer and Corporate Secretary
- Bruce Tozer — Director
- Margot Naudie — Director
- Catherine Flax — Director
- Maryam Ayati — Director

The principal steps of the RTO Transaction were as follows:

(a) the Company effected a continuance from the Province of British Columbia to the Province of Ontario such that its governing corporate legislation became the *Business Corporations Act* (Ontario);

(b) in association with the foregoing continuance, the Company:

(i) changed its name to “Base Carbon Inc.”;

(ii) authorized preference shares issuable in series pursuant to the articles of continuance; and

(iii) reconstituted its board of directors with the directors named above;

(c) existing officers of the Company resigned and were replaced with the officers named above;

(d) the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation common share (the “**Resulting Issuer Shares**”) for every 5.394736842 pre-consolidation common shares; and

(e) pursuant to a three-corned amalgamation agreement, Base and 1000095223 Ontario Inc., a wholly-owned subsidiary of the Company, amalgamated and retained the name “Base Carbon Corp.” and (i) the common shares in the capital of Base (“**Base Shares**”) were exchanged for Resulting Issuer Shares on a one-for-one basis; (ii) options to acquire Base Shares became exercisable for Resulting Issuer Shares on the same terms and conditions and on an economically equivalent basis.

Following the RTO Transaction, the Company’s authorized share capital consists of an unlimited number of common shares (being the Resulting Issuer Shares) and an unlimited number of preference shares.

In connection with the completion of the RTO Transaction, KPMG LLP, at its principal office in Toronto, Ontario, replaced Baker Tilly WM LLP as the auditor of the Company.

On March 1, 2022, the Company, through Base, acquired an additional 30% of HCBL resulting in a total ownership of 49.9% pursuant to a planned phased acquisition as set out in the terms of an investment agreement between, among others, HCBL and Base. The team of carbon, environmental markets, and energy experts at HCBL are, together with Base, engaged in sourcing and developing large-scale carbon reduction projects from its pipeline of over 50 potential carbon reduction projects across various geographic locations.

On February 28, 2022, the Company received final approval to list on the NEO Exchange and commenced trading on March 3, 2022, under the symbol “BCBN”. The Company filed a listing statement dated March 1, 2022 in accordance with the policies of the NEO Exchange.

Item 6. **<u>Reliance on subsection 7.1(2) of National Instrument 51-102</u>**

The report is not being filed on a confidential basis.

Item 7. **<u>Omitted Information</u>**

No information has been omitted.

Item 8. **<u>Executive Officer</u>**

Michael Costa, Chief Executive Officer
Email: michael@basecarbon.com
Phone: (647) 264-5305

Item 9. **<u>Date of Report</u>**

March 4, 2022.