Base Carbon Announces First Quarter 2022 Financial Results

May 16, 2022 – Toronto, Ontario – Base Carbon Inc. (**NEO:BCBN**) (**"Base Carbon**", or the "**Company**") is pleased to announce its first quarter 2022 financial results for the three-months ended March 31, 2022. All financial references are denominated in US dollars, unless stated otherwise.

"The first quarter of 2022 was transformational for Base Carbon. We successfully completed our public listing on the NEO Exchange, we announced our first carbon reduction project in partnership with the DelAgua Group and we increased our ownership in HCBL to 49.9%. Despite the current volatility in global risk markets, we continue to be steadfast in the approach to our business plan and look forward to future updates regarding our pipeline of carbon reduction projects," said Michael Costa, Chief Executive Officer of Base Carbon.

First Quarter Business and Financial Highlights

- Base Carbon entered into a carbon reduction project agreement with a subsidiary of the DelAgua Group to supply cookstoves in the country of Rwanda as part of an expansion of an existing Verra-registered carbon reduction project and made $3.5 million in prepayments for carbon credits as of March 31, 2022.
- Base Carbon Corp. completed the reverse takeover (the **"RTO Transaction"**) of 1287411 B.C. LTD. in February 2022, and changed the resulting issuer's name to Base Carbon Inc.
- The Company acquired an additional 30% strategic interest in Hardwick Climate Business Ltd. ("**HCBL"**) in March 2022 resulting in a total current ownership of 49.9%.
- Base Carbon completed Phase 2 of the Company's investment in Base Carbon Capital Partners Corp. ("**BCCPC"**), the jointly owned venture with HCBL and our investment vehicle to develop carbon reduction projects, increasing its total ownership in BCCPC to 89% (78% direct ownership, 11% indirect ownership).
- The Company commenced trading on the NEO Exchange under the symbol "BCBN" on March 3, 2022.
- As of March 31, 2022, the Company had total assets of $60.1 million, mainly comprising of $42.5 million in cash and cash equivalents, $1.1 million in prepaid and other assets, $3.5 million in prepayment for carbon credits, $1.3 million in investment at fair value (AirCarbon Exchange), and $11.6 million in investment in associate (HCBL).
- As of March 31, 2022, the Company had $1.2 million in accounts payable and accrued liabilities, which was its total liabilities.
- During the three-months ended March 31, 2022, the Company incurred a net comprehensive loss of $1.2 million. The Company's revenue streams are still being developed. Major operating expenses

were attributable to consulting and professional fees in connection to the RTO Transaction, public listing, audit and regulatory fees, and share-based compensation.

- A one-time listing expense of $0.7 million was incurred in connection to the RTO Transaction.

For more information, please refer to the first quarter 2022 financial results and management discussion and analysis ("**MD&A**") for the Company available on www.sedar.com and www.basecarbon.com.

About Base Carbon

Base Carbon is in the business of providing capital, development expertise and management operating resources to projects involved primarily in voluntary carbon markets and the broader ESG economy. Base Carbon seeks to be the preferred carbon project partner in providing capital and developmental resources to carbon projects globally and, where appropriate, will endeavour to utilize technologies within the evolving carbon industry to enhance efficiencies, commercial credibility, and trading transparency.

For more information, please visit www.basecarbon.com.

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Wes Fulford, Chief Financial Officer, and Ryan Hornby, Chief Legal Officer are responsible for this press release.

Cautionary Statements Regarding Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the Rwanda Cookstoves Project, the focus of Base Carbon's business and financial results of the Company. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, Base Carbon's strategic plans and details of development timelines of the Rwanda Cookstove Project and future projects are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

In respect of the Company's initial carbon reduction project, the Rwanda cookstove project, certain factors that influence successfully meeting the milestones related to such project include, among other things: (i) the Company has retained experts/consultants/advisors to assist with the evaluation, planning and negotiation of potential carbon reduction projects, (ii) the development thereof remains in line with anticipated timelines and costs, the manufacturers and distributors contracted by the Company and DelAgua in respect thereof satisfy their obligations as expected by the Company and on expected timelines, and the local participants in the project utilize the stoves supplied to them in accordance with the expectations under the project, (iii) in respect of the Company's additional carbon reduction projects, the

Company is able to successfully execute definitive documentation in respect of such projects and on the expected timelines, the execution of such projects remain consistent with anticipated timelines and costs, and the conditions precedent for the deployment of capital thereunder, if any, are satisfied by the counterparties involved in such projects in a timely fashion, and (iv) the Company has sufficient funds on hand to complete the development and execution of its stated project milestones.

Base Carbon assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances or actual results unless required by applicable law. When available, readers are encouraged to refer to the MD&A for the Company available on www.sedar.com for information as to the risks and other factors which may affect Base Carbon's business objectives and strategic plans.