Base Carbon Reports Year End 2022 Operating and Financial Results

TORONTO, March 31, 2023 -- Base Carbon Inc. (NEO: BCBN) (OTCQX: BCBNF) ("**Base Carbon**", or the "**Company**") is pleased to announce its year-end 2022 consolidated financial results and operational highlights. All financial references are denominated in U.S. dollars, unless otherwise noted.

Annual Corporate and Financial Highlights as of December 31, 2022:

- Vietnam Household Devices Project: Base Carbon, through its subsidiary, Base Carbon Capital Partners Corp. ("**BCCPC**"), executed project agreements with in-country partner Sustainability Investment Promotion and Development Joint Stock Company ("**SIPCO**") to fund an expected $20.8 million related to the development of a cookstove and water purifier carbon reduction project in Vietnam. Base Carbon facilitated a project offtake agreement between Citigroup Global Markets Limited ("**Citigroup**") and SIPCO related to the first phase of the project.

- Rwanda Cookstoves Project: Base Carbon, through its subsidiary, BCCPC, executed an agreement with a subsidiary of project partner DelAgua Group ("**DelAgua**") to fund $8.8 million towards the purchase, distribution, and initial monitoring of 250,000 fuel-efficient cookstoves for a carbon reduction project in Rwanda.

- Financial Resources: As of December 31, 2023, the Company had total assets of $44.1 million, including $12.9 million in cash and cash equivalents, and $24.5 million in investments into carbon credit projects.

- Blue Carbon Partnership with Danish Red Cross: In Q4 2022, Base Carbon signed a letter of intent with the Danish Red Cross to develop blue carbon projects in Southeast Asia, with the scope including a potential mangrove carbon credit removal project. An initial project in the Philippines is currently in the evaluation phase and a key project consultant has been engaged to provide mapping and scoping services.

- Public Listing on the NEO and OTCQX Trading: On March 3, 2022, the Company commenced trading as a public company on the NEO Exchange Inc. under the symbol "BCBN", and on August 22, 2022, commenced trading on the OTCQX Best Market under the symbol "BCBNF". The OTCQX Market is designed for established, investor-focused U.S. and international companies.

"2022 was transformational for Base Carbon where we established a foundation to grow our business. During the year, the company focused on developing Base as a public issuer and executing investments from our pipeline of high-quality carbon projects. From this pipeline we committed $29.7 million in capital related to our carbon reduction projects in Rwanda and Vietnam, with project partners DelAgua and SIPCO, respectively. In addition, we announced our partnership with the Danish Red Cross with the intention of developing mangrove-focused blue carbon removal projects in Southeast Asia. As of today, we are fully distributed on both household device projects in Rwanda and Vietnam, and we anticipate first verifications and first carbon credit issuances in mid-2023," stated Michael Costa, Chief Executive Officer of Base Carbon.

Project Updates and Other Highlights:

Vietnam Household Devices Project

- Device Distribution and Project Capital: Project partner SIPCO has completed the full distribution of project devices, an aggregate of 1.214 million fuel-efficient cookstoves and water purifiers, four months ahead of the initial schedule and on budget. As of March 31, 2023, Base Carbon has funded 90% of the committed project capital with remaining commitments primarily tied to 2023 and 2024 project monitoring activities.

- Registry Validation: Project partner SIPCO re-registered the cookstoves portion of the project under a new project ID #2923. The new Project Design Document (PDD) was validated by the Validation and Verification Body ("**VVB**"), and the project was subsequently registered by Verra on November 25th, 2022. The Project ID for the re-registered cookstove portion of the project can be found at VCS (Verified Carbon Standard) 2923 and the Project ID for the water purifier portion of the project can be found at VCS 2557.

- First Carbon Credit Issuance & Citigroup Offtake: Initial carbon credits are anticipated to be generated from the project in mid-2023, with Citigroup contracted to purchase the first 7.4 million carbon credits generated from the project.

Rwanda Cookstoves Project

- Device Distribution and Project Capital: Project partner DelAgua has completed the full distribution of 250,000 cookstoves, on schedule and on budget. As of March 31, 2023, Base Carbon has funded 100% of the committed project capital.

- First Carbon Credit Issuance: First carbon credits are anticipated to be generated from the project in mid-2023, and Base Carbon maintains a contractual preferential share of the revenues anticipated from the first 2.2 million carbon credits issued. The project design document for the Rwanda project can be found at VCS 4150.

HCBL Operating Relationship

Base Carbon and Hardwick Climate Business Limited ("**HCBL**") have mutually agreed not to complete the proposed 100% acquisition of HCBL by Base Carbon. Into 2023 and beyond, the Company and HCBL intend to continue collaborating on the development of current projects in addition to the prospective project pipeline. Base Carbon and HCBL are actively working towards a restructured future operating relationship.

2022 Year-end Financial Results

As of December 31, 2022, the Company had total assets of $44.1 million, comprised of $12.9 million in cash and cash equivalents, $0.1 million in prepaid and other assets, $24.5 million in investments in carbon credit projects, a $1.4 million equity investment in ACX Holdings Ltd. (AirCarbon) and a $5.1 million investment in associate company HCBL. The Company had $0.2 million in accounts payable and accrued liabilities, comprising total liabilities.

In Q4 2022, the Company incurred a net loss of $8.1 million, of which $6.0 million was due to a non-cash impairment loss related to the Company's 49.9% ownership in associate company HCBL. Other operating expenses in Q4 2022 were attributable to consulting and professional fees, salaries and wages, and share-based compensation. The Company's revenue lines are still being developed.

On June 17th, 2022, the Company implemented a normal course issuer bid program ("**NCIB**") to repurchase Company Shares. As of March 24, 2023, the Company had purchased 4,844,678 Company Shares for cancellation under the NCIB resulting in outstanding Company Shares of 122,819,602.

About Base Carbon

Base Carbon provides capital, development expertise and management operating resources to projects involved in the voluntary carbon markets. The company 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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Michael Costa, Chief Executive Officer, and Ryan Hornby, Chief Legal Officer are responsible for this press release.

Cautionary Statement Regarding Forward Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws with respect of the Company, including but not limited to, statements relating to the focus of Base Carbon's business, the intention to restructure its relationship and investments with HCBL, the Company's carbon reduction projects and financial results of the Company. In some cases, but not necessarily in all cases, forward-looking information may be identified by the use of forward-looking terminology such as "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans" or variations of such words and similar expressions or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events. Statements about, among other things, Base Carbon's strategic plans the intention to restructure its relationship and investments with HCBL and details of development and revenue generation timelines of current projects (including that the first issuance of carbon credits associated with the Vietnam project and the Rwanda project is anticipated mid-2023) are all forward -looking information. These statements should not be read as guarantees of future performance, results, or achievements.

Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking information are based upon reasonable assumptions and expectations, readers should not place undue reliance on forward-looking information because it involves assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking information.

In respect of the Company's carbon credit projects, the Rwanda project and the Vietnam project, certain factors that influence successfully meeting the anticipated first issuance of carbon credits associated with such projects in mid-2023 include, among other things: (i) the Company has retained industry leading experts/consultants/advisors to assist with the planning and execution of such projects, (ii) the timelines for execution of the development of the Rwanda project and the Vietnam project has to date been in line with (or accelerated from) initial expectations, and (iii) the Company has sufficient funds on hand to *complete the execution of its milestones stated herein for the Rwanda project and the Vietnam project.*

In respect of the Company's carbon credit projects, the Rwanda project and the Vietnam project, certain assumptions that influence successfully meeting the anticipated first issuance of carbon credits associated with such projects in mid-2023 include, among other things: (i) the Company's project partners satisfy their obligations as expected by the Company and on expected timelines, (ii) the household participants in the projects utilize the Devices supplied to them in accordance with the expectations under the projects, (iii) the validation process in respect of the Rwanda project, being undertaken with Verra, the organization that has been appointed as the carbon credit registry for such project, occurs mid-2023, (iv) the completion and submission to Verra of the initial project monitoring reports prepared by the project Validation and Verification Body ("VVB") occurs mid-2023, and (v) the initial acceptance of the verification by Verra of the performance of the projects set out in the VVB reports against the project methodology in order to enable the first issuance of the resulting carbon credits occurs mid-2023, which timeline is reflective of the Company's observation of Verra's current timeline for the verification of similar carbon reduction projects being undertaken by other parties.

The evaluation and negotiation by the Company of new additional projects described herein is in respect of potential opportunities which are non-binding proposals only and which are subject to due diligence and/or negotiation of definitive documentation by the Company as of the date of this press release. Readers are cautioned that there can be no assurance that the Company will be able to enter into definitive agreements for, or otherwise proceed with or realize upon, such potential opportunities on a timely basis or at all, nor that the nature and scope of such potential opportunities will ultimately be as described herein or as to the extent of any financial, operational or other benefits which may be realized by the Company in proceeding with such potential opportunities. Potential projects may be removed from the Company's pipeline from time to time or at any time as a result of, among other things, unsatisfactory results from the Company's due diligence or negotiation of terms and conditions in respect of such potential projects.

The forward-looking statements made herein are subject to a variety of risk factors and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. Readers are cautioned that forward-looking statements are not guarantees of future performance. Specific reference is made to the most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities (and available on www.sedar.com) for a more detailed discussion of some of the factors underlying forward-looking statements and the risks that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this press release.

Should one or more of the risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual events or results may vary materially and adversely from those described in the forward-looking information. The forward-looking information contained in this press release is provided as of the date of this press release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.