Base Carbon Announces First Revenues From Sale of Carbon Credits

TORONTO, June 06, 2023 -- Base Carbon Inc. (NEO: BCBN) (OTCQX: BCBNF) ("**Base Carbon**", or the "**Company**"), a financier of emission reduction, removal, and related climate action projects, announced today that it has received first revenues from the sale of carbon credits generated from the Vietnam Household Devices Project (the "**Project**") pursuant to its agreement with Project developer, Sustainability Investment Promotion and Development Joint Stock Company ("**SIPCO**")**,** and offtake arrangement with the Citigroup Global Markets Limited ("**Citigroup**").

Highlights

- **As previously disclosed, Base Carbon facilitated a carbon credit offtake agreement between Citigroup and SIPCO, developer of the Project, related to the initial 7.4 million carbon credits issued from the Project.**
- **Base Carbon has now received full payment associated with delivering the initial 1,020,903 cookstove-generated carbon credits to Citigroup.**
- **The Company anticipates the first carbon credit issuance and associated revenues for the water purifier portion of the Project in the near-term.**

"This is a transformational milestone for both our business and the Company's stakeholders. In just under 12-months from project execution and first capital deployment, we are now a revenue generating company. The anticipated Project cashflows will become more visible through continuous financial disclosure and we look forward to providing more details in the normal course of our operations. Going forward, we will continue expanding our team, and diversifying our business lines and portfolio," stated Michael Costa, Chief Executive Officer of Base Carbon.

The success of the Vietnam Household Devices Project is representative of Base Carbon's role in bridging the gap between project developers who require capital and the consumers who seek quality carbon credits. The Vietnam Household Devices Project is an inclusive partnership designed to reduce carbon emissions, improve living standards in project communities and to deliver a return on invested capital.

Efficient household devices are critical to carbon emission reduction and lead to both positive and measurable social and health co-benefits for millions of individuals within the households and communities. Globally, approximately one out of three people rely on polluting cooking fuels including wood, charcoal, and kerosene. Such 'dirty cooking' is a leading source of global carbon emissions and kills approximately four million people per annum due to respiratory illness, according to the Clean Cooking Alliance.

In addition to 850,000 cookstoves distributed in Vietnam, the Project includes the distribution of 364,000 water purifiers for which credits are anticipated to be issued in the near term. Project co-benefits are measured based on anticipated improvement in living standards and are viewed by Base Carbon as important drivers of project quality and as mitigators of project risk for stakeholders.

Vietnam Household Devices Project

On May 27, 2022, the Company, through its subsidiary investment vehicle Base Carbon Capital Partners Corp. ("**BCCPC**"), entered into a project agreement with SIPCO as in-country project developer, to facilitate the Vietnam Household Devices Project. Pursuant to the terms of the agreement, Base Carbon has committed to invest US$20,828,600 to fund the manufacturing, distribution, and monitoring of approximately 1,214,000 household devices across several provinces of Vietnam. Citigroup, under the terms of the project offtake agreement is contracted to purchase the initial 7.4 million carbon credits generated from the Vietnam project.

Rwanda Cookstoves Project

On January 25, 2022, the Company, through BCCPC, 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 its existing carbon reduction project previously registered as a clean development mechanism ("**CDM**") project governed by the United Nations pursuant to the Kyoto Protocol. Pursuant to the terms of the agreement, Base Carbon invested US$8,825,000 to fund the manufacturing, distribution, and monitoring of approximately 250,000 cookstoves across rural Rwanda in exchange for a revenue sharing agreement with respect to the first 7.5 million carbon credits which are expected to be generated by the project. Base maintains a contractual preferential share of the revenues from the first 2.2 million carbon credits generated. First issuance of carbon credits from the Rwanda Cookstove Project continues to be anticipated for mid-2023.

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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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 anticipated issuance of carbon credits and to the focus of Base Carbon’s business. 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, anticipated carbon credit issuances and anticipated revenues 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.

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.