



Base Carbon Provides Corporate Update and Outlook

TORONTO, Feb. 08, 2024 -- Base Carbon Inc. (Cboe CA: BCBN) (OTCQX: BCBNF) with operations through its wholly-owned subsidiary, Base Carbon Capital Partners Corp. (together, with affiliates, "**Base Carbon**", or the "**Company**"), is pleased to provide a corporate update and the Company's outlook for 2024.

2023 Highlights and 2024 Outlook

- **Targeted to receive approximately 6 million carbon credits from the Vietnam household devices project, for anticipated offtake proceeds of approximately US\$29.1 million, and approximately 2.1 million carbon credits from the Rwanda cookstoves project in 2024.**
- **Receipt of approximately 1.1 million carbon credits and aggregate proceeds from the disposition of such credits of approximately US\$6.4 million, or C\$0.072 per share¹, in 2023.**
- **Rwanda cookstoves project received Verra's first ever corresponding adjusted or "Article 6 Authorized Label" in December 2023.**
- **Execution of high quality nature-based carbon removal project agreement in August 2023, with approximately 4.7 of 6.5 million trees having been planted to date and project registration with Verra on track for end of 2024.**
- **Execution of a Letter of Intent for a partnership with STX during December 2023, to establish and launch an innovative fund for institutional investors to participate in offtake supported high quality carbon removal projects.**

"2023 was a successful and productive year in which Base Carbon focused on capital allocation and project advancement. We anticipate 2024 to bear the fruits of this labor and expect significant production and capital returns from our carbon projects during 2024. We are confident in our business plan and prudent underwriting practices, and we believe that Base Carbon has quickly established itself as a respected and credible participant in global carbon markets," summarized Base Carbon's CEO, Michael Costa.

Vietnam Household Devices Project

The Company received delivery of approximately 1.1 million carbon credits generated from the Vietnam household devices project and aggregate contractual offtake proceeds from such credits of approximately US\$6.4 million or C\$0.072 per share¹ during 2023.

In aggregate for 2024 fiscal year, the Company expects to receive approximately 6 million carbon credits from the Vietnam household devices project for offtake delivery and anticipated proceeds of approximately US\$29.1 million.

Of such carbon credits, the Company anticipates the issuance of approximately 2.1 million carbon credits for immediate delivery pursuant to the project offtake arrangement before end of Q2 2024. Project issuances are dependent upon Verra's acceptance and verification of the project monitoring documentation.

The Company anticipates to fully recover its project investment and purchase price as well as receive significant initial returns during 2024. The Company's project investment and purchase price for the initial 7.4 million carbon credits generated from the project is expected to be approximately US\$20.8, of which US\$19.0 million has been spent to date. As previously disclosed, Base Carbon holds an option over all remaining credits generated by the project.

The entire fleet of clean cooking devices, i.e. cookstoves, and water purifiers has been fully distributed by project partner SIPCO in partnership with local woman's unions in Vietnam.

Rwanda Cookstoves Project

As announced during December 2023, an agreement was reached with the Government of Rwanda which resulted in Verra issuing its first ever correspondingly adjusted or "Article 6 Authorized Label" with respect to the Rwanda cookstoves project. The Company continues to believe that the correspondingly adjusted carbon credits designation will expand the pool of buyers with potential pricing upside for such credits. [Please see Verra's press release date December 7, 2023 for more details.](#)

In aggregate for 2024, the Company expects to receive approximately 2.1 million carbon credits from the Rwanda cookstoves project during 2024 for sale into the market according to the project agreement and revenue sharing arrangement, pursuant to which Base Carbon maintains a contractual preferential share of proceeds from the sale of such initial credits.

Of such carbon credits, the Company expects the issuance of approximately 620,000 carbon credits from the Rwanda cookstoves project before end of Q1 2024. Project issuances are dependent upon Verra's acceptance and verification of the

project monitoring documentation.

The fleet of cookstoves pursuant to the Rwanda cookstoves project has been fully distributed and the Company completed its full capital commitment obligations.

India Nature Based Removals Project

As announced during August 2023, the Company executed a nature-based carbon removal project focused on the reforestation of degraded rural farmlands in northern India with project partner, Value Network Ventures Advisory Services Pte Ltd. Project listing documents were submitted to Verra on schedule during December 2023, and approximately 4.7 of the planned 6.5 million trees have been planted to date.

The project is expected to generate over 1.6 million high-quality nature-based removal carbon credits issued in relatively equal tranches over a 20-year project life beginning in early 2025.

Institutional Investor Vehicle with STX

As announced during December 2023, the Company executed an LOI to partner with the STX Group, a leading global environmental commodity trader, to collaborate on the establishment and launch of an innovative investment vehicle for institutional investors to participate in a curated portfolio of high-quality carbon removal projects. The investment vehicle is expected to emphasize capital allocation to greenfield carbon solutions with pre-arranged carbon credit offtake arrangements, that include robust quantification, scientific durability, strong community engagement, sustainable development co-benefits, and governance practices in accordance with leading industry standards, local regulation, and the UNFCCC Paris Agreement.

As manager of the investment vehicle, Base Carbon will leverage its existing platform, team expertise and corporate infrastructure, to develop a new stream of asset management and performance fees without incurring dilution to shareholders.

Base Carbon and STX are currently collaborating to advance potential portfolio investments, offtake commitments and to determine the ultimate vehicle structure and terms.

About Base Carbon

Base Carbon is a financier of projects involved primarily in the global voluntary carbon markets. We endeavor to be the preferred carbon project partner in providing capital and management resources to carbon removal and abatement projects globally and, where appropriate, will utilize technologies within the evolving environmental industries 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 relating to the focus of Base Carbon's business, the expected issuance, and timing, of carbon credits, the application of Article 6 of the Paris Agreement and the "Article 6 Authorized Label" and market reaction thereto, the receipt of proceeds from the disposition of carbon credits, project registration and the continued development of the India nature based removal project and the future partnership with STX and the launch an innovative investment vehicle. 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. 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 Rwanda cookstoves project and the Vietnam household devices project, certain factors that influence the commercial success of such projects and successfully meeting the milestones related to such projects, including the timing and number of expected carbon credits, include among other things: (i) the Company has retained industry leading experts/consultants/advisors to assist with the evaluation, planning, negotiation and execution of such projects, (ii) the work

product, including monitoring reports, of each project's validation and verification Body ("VVB"), (iii) project costs and carbon credit market prices, (iv) the verification of ongoing project monitoring reports and issuance of carbon credits by Verra, (v) changes to laws and regulation in applicable jurisdictions, and (vi) the Company has sufficient funds on hand to make carbon credit purchase price payments.

In respect of the Rwanda cookstoves project and the Vietnam household devices project, certain assumptions that influence the commercial success of such projects, including the timing and number of expected carbon credits, include among other things: (i) distributed cookstoves and water purifiers perform to specification when used and participating households use the devices as contemplated by project estimates, (ii) the Company's in-country project partners, being the DelAgua Group in the case of the Rwanda cookstoves project and SIPCO and the project offtaker in the case of the Vietnam household devices project, perform their obligations in connection with the development and operation of the projects, (iii) the validation process in respect of the Rwanda cookstoves project, being undertaken with Verra occurs during the first half of 2024, (iv) the completion and submission to Verra of the initial Rwanda cookstoves project monitoring report prepared by the project VVB occurs during the first half of 2024, (v) with respect to the Rwanda cookstoves project, 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 during the first half of 2024, 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, (vi) over the life of such projects, there is no change in the methodologies used by Verra, as the carbon credit registry for such projects, to measure the greenhouse gases reductions from such projects which results in less carbon credits being issuable from the operation of such projects, and (vii) continued participant involvement and public support of the voluntary carbon market.

In respect of the India nature based removal project, certain factors that influence the commercial success of the project include, among other things: (i) the Company's expertise with respect to the evaluation, planning and negotiation of the project, (ii) the conduct of the Project counterparties, including cooperation with local small-land owners, (iii) project costs and carbon credit market prices, (iv) ongoing project monitoring and issuance of carbon credits by Verra, (v) changes to laws and regulation in the Republic of India, (vi) extreme weather event and natural disasters.

In respect of the India nature based removal project, certain assumptions that influence the commercial success of the project include, among other things: (i) the development the project remains in line with anticipated timelines and costs, (ii) project counterparties, including project partner Value Network Ventures Advisory Services Pte Ltd., its subcontractors and local small-land owners, perform their contractual and/or standard operating procedures, (iii) the successful planting and survival of trees, (iv) the growth rates of trees are consistent with the expectations under the project which is then reflected by monitor reports accepted by Verra, (v) the Company has sufficient funds on hand to make carbon credit purchase price payments, and (vi) continued participant involvement and public support of the voluntary carbon market.

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 management discussion and analysis for the third quarter ended September 30, 2023 and the most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities (and available on www.sedarplus.ca) 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.

¹ Based on 117,918,182 issued and outstanding common shares as of December 31, 2023, and Bank of Canada US/CA exchange rate of 1.3226 on December 29, 2023.