Canada Carbon Inc.: Drilling and Trenching at Miller Reveals A Graphite Vein and Pod System Extending Over 39 Metres in Depth

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 19, 2013) - **Canada Carbon Inc. (the "Company") (TSX VENTURE:CCB)** is pleased to announce that further trenching in the VN1 discovery area has revealed a new graphite occurrence (VN2) that is 25 metres ("m") from VN1. The new VN2 discovery is up to 1.5 m thick and can be followed for over 3 m in length at surface. Multiple secondary graphite veins were also identified and are associated with a total of six mineralized pods of metric to pluri-metric size visual graphite of which assays are pending. Drilling has also confirmed that the graphitic vein system extends to a depth of at least 39 m beneath the VN2 surface occurrences. The technical team will continue to review the trench and drill data to better assess the graphite mineralization.

R. Bruce Duncan, CEO & Director of Canada Carbon states, "We have just begun to scratch the surface of this unique hydrothermal lump/vein graphite project and the results to date have been exceeding our expectations. Our recent drill program at Miller has confirmed that the graphite mineralization exposed at surface does in fact extend at depth. Trenching of our high purity graphite veins allows us to directly observe geological features that would otherwise be underground or only apparent in drill core material. We can correlate our observations with both the drilling and geophysics, and believe this gives Canada Carbon a significant edge for making additional discoveries along this mineralized corridor."

The veins and pods of high grade graphite mineralization are aligned in a NE-SW orientation and follow the contact between marble and paragneiss. The total trench length for the mineralized corridor is 52 m and is open on all sides. The technical team will concentrate on extending the mineralized corridor by following the contact zone.

Trenching is currently underway to further extend the VN2 discovery, which occurs within a large 300 m long electromagnetic ("EM") anomaly (*see news release dated September 12th, 2013*). The current trenching is located on the east flank of this EM anomaly that is also elongated toward the east, and the VN2 graphite discovery may explain the asymmetry of the EM anomaly. Trenching to date on the VN2 discovery represents only 40 m of the 300 m anomaly, and demonstrates that there is a significant probability that additional graphite mineralization can be found in the central area of the anomaly, which is of greater amplitude.

Drilling

Canada Carbon conducted drilling over late July and early August (Table 1), with the objective of testing the depth and lateral extent of the various veins. The results show that the graphitic vein system extends to a depth of at least 39 m beneath the VN2 surface occurrences. Drillhole DDH13-04 intersected visual graphite over 1m at a depth of 22 m under VN2 while drillhole DDH13-03 intersected graphite mineralization 39 m beneath VN2, with visual graphite associated with wollastonite over 1 m, within a 4 m interval of graphite and wollastonite. Small graphite veins occur throughout all of the drill cores.

Drilling indicates that the mineralization is easily followed between surface and depth. A second graphitic unit was intersected in DDH13-04, at an estimated depth of 33 m, with 1.3 m of graphite in pegmatite and wollastonite. The same hole intersected a 10 centimetre ("cm") graphite vein at 40 m depth. Other exploration holes intersected small graphite veins or disseminations while testing the SSW extension of VN1 and VN2 but subsequent trenching reveals a NE alignment of individual graphite pods, following the marble-paragneiss contact. Core logging and sampling was done and the first batch of samples was sent to Actlab (Ancaster, ON), with results expected in the following two weeks.

Ore Forming Process

The Company believes that the mineralized corridor follow a marble/paragneiss contact, where pegmatite intruded into a low pressure zone and resulted in the alteration of the marble by the addition of silica. This alteration releases CO2 that is transported by pneumatolitic and/or hydrothermal fluid to precipitate graphite and wollastonite as pods along the pegmatite corridor. The drilling confirmed the presence of the mineralization at depth beneath the VN2 occurrence, supporting the assumption that the pod mineralisation continues at depth. Additional drilling and a bulk sample of the surface mineralization will better define the quantity of graphite material and pods along the mineralized corridor. Geophysics is also planned to help discover additional buried pods.

Rémi Charbonneau, Ph.D., P. Geo #290 (an Associate of Inlandsis Consultants s.e.n.c.) is an Independent Qualified Person under National Instrument 43-101, and has reviewed and approved the technical information provided in this news release.

OTHER BUSINESS

Canada Carbon also announces that it has purchased 0.5% of the net production return royalty ("**NPR**") in relation to the Corporation's Miller Property from 9226-6202 Quebec Inc. ("**Quebec Inc**") a private Quebec corporation (the "**Purchase**"), thereby reducing the NPR held by Quebec Inc to 1.5%. In consideration for the Purchase, the Corporation has agreed to issue 100,000 common shares in the capital of the Corporation to Quebec Inc, subject to the prior approval of the TSX Venture Exchange. The Common Shares issued in connection with the Purchase will be subject to a statutory hold period of four months plus one day from the date of issuance.

On Behalf of the Board of Directors

CANADA CARBON INC.

R. Bruce Duncan, CEO and Director

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FORWARD LOOKING STATEMENTS: This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or circumstances. All of the forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at www.sedar.com).

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