Canada Carbon Achieves Better Than 99.8% C(t) Graphite Purity During Preliminary Pilot-Scale Flotation Concentration of Its Miller Hydrothermal Graphite

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 24, 2014) - **Canada Carbon Inc. (the "Company") (TSX VENTURE:CCB)** provides a preliminary update on the results of its pilot-scale flotation processing at SGS Canada Inc. ("SGS") of graphitic material from its 100% owned Miller graphite property. The primary objectives of the pilot plant operation are to generate larger quantities of graphite flotation concentrate for downstream evaluation, and to provide process data to facilitate future engineering studies, including a PEA. Under the guidance of Mr. Oliver Peters, M.Sc., P.Eng, MBA, (Consulting Metallurgist for SGS and Principal Metallurgist of Metpro Management Inc.), the decision was made to submit a large sample of lower grade graphitic material from the Miller site to determine if the results previously obtained in bench scale testing of the 50 kg sample of higher grade material could be replicated with the lower grade material. This decision was made to investigate the possibility of employing a bulk mining method to include the disseminated graphite mineralization rather than just mining the graphite veins selectively. The current head grade of the bulk sample for which these preliminary results are given is approximately 8% C(t). Canada Carbon will be submitting a higher grade of graphitic material at a later phase of the pilot-scale flotation processing program.

Mechanical and metallurgical commissioning of the 500 kilograms per hour ("kg/h") flotation pilot plant at the SGS Lakefield site commenced on September 8th, 2014. During this commissioning period, process grab samples were collected intermittently to facilitate the optimization of the metallurgical performance.

The +48 mesh, +65 mesh, and +80 mesh product sizes of a pilot plant grab sample were submitted for a GDMS analysis by Evans Analytical in Syracuse, NY. The results of both the total carbon analysis by Leco and GDMS analyses are presented in the table below. While these results were generated from circuit grab samples during pilot plant commissioning and do not represent comprehensive survey samples, they confirm that the very high graphite concentrate grades obtained with the 50 kg bulk sample can be replicated on a pilot plant scale processing 500 kg/h.

Leco and GDMS Analysis on Three Size Fractions of a Pilot Plant Process Sample

Sample	% C(t) by Leco[1]	% C(t) by GDMS[2]
+48 mesh	98.1	99.87
+65 mesh	99.9	99.86
+80 mesh	99.3	99.83

[1]All reported analytical results have an associated measurement uncertainty based on the expected precision and accuracy relating to the method and sample concentration. Values at 100% should not be treated as pure products without additional impurity testing. The chemical analysis used to determine the total carbon content employs combustion of a sample followed by infrared detection on a LECO SC-632 instrument. The estimated measurement uncertainty for total carbon values greater than 50% C(t) is 1.4% (relative) with a resolution of 1 significant figure. For example, a reported assay value of 99.0% C(t) could therefore range between 97.6% and 100% C(t).

[2] Purity C(t) % was calculated as "100% minus (sum of all impurity concentrations (%))". In those instances in which the GD-MS assay reported an element concentration as being below the detection limit for this method, the detection limit concentration was used in the calculation of total impurity content. For example, in all assays, Cadmium was reported as "<1 ppm" concentration, by weight. For the purposes of the purity calculation, Cadmium = 1ppm was used, as it is the most conservative approach to interpreting the data. Therefore, the calculated graphite purity values reported here are the minimum possible values which can be

derived from the data.

It must be emphasized that the above results were obtained using flotation alone. No additional chemical processing, leaching, baking or other thermal techniques were employed.

Executive Chairman and CEO Mr. R. Bruce Duncan stated, "We are very encouraged that the preliminary results from the pilot-scale flotation of our lower grade Miller hydrothermal graphite can return purity values comparable to our best bench-scale results (see June 17, 2014 press release). This indicates that high purity from flotation alone can be achieved regardless of head grade. Expensive secondary treatment such as caustic bake and acid leach may not be necessary to produce a high purity, high value product." Mr. Duncan further states, "Once again, third-party empirical results demonstrate that the Miller hydrothermal lump/vein (HLV) graphite is a truly one of a kind deposit."

Sample Selection Procedures - Sample Map: http://canadacarbon.com/docs/Miller_Bulk_Sample_Map.pdf

All graphite samples described below were selected under the guidance of Mr. Oliver Peters. Mr. Peters conducted a site visit to the Miller project in August 2014, to observe the graphite mineralization, and to consult directly with Canada Carbon's field geological team with respect to bulk sample material selection criteria.

Initial 25 Tonne Bulk Sample, Pilot Plant-Scale Flotation Optimization

An initial 25 tonne sample was selected for purposes of commissioning the pilot plant equipment at SGS Canada (Lakefield). This sample was composed of graphitic material from multiple sites, selected by visual examination. Approximately 5 tonnes of the material (20% of the bulk sample) were comprised of metre-scale graphitic blocks excavated during the trenching over the VN1 and VN2 showings, which lie about 150 metres ("m") west of the Miller pit. A further approximate 5 tonnes (20%) of the material were comprised of 0.3-1 m graphitic blocks excavated during the trenching over the VN3 showing, which lies about 500 m to the south-east of the Miller pit. The remaining approximate 15 tonnes (60%) were obtained from the historic Miller stockpiles; hand-sorting and mechanical removal of gangue mineralization yielded blocks of 0.15-1 m dimensions.

Approximately 50% of this material was consumed during mechanical commissioning of the pilot plant circuit and the remaining material was blended with the 102 tonnes sample described below once it was received at the SGS Lakefield site.

102 Tonne Bulk Sample, Pilot Plant-Scale Flotation Optimization

This second bulk sample was comprised of graphitic blocks which were visually estimated to have graphite concentrations of 5% or more, intended to be representative of the lower grade material present on the property.

Approximately 61 tonnes of the material were obtained from the historic Miller stockpiles. A further 26 tonnes (approximate) were provided by blocks excavated during trenching over the VN6 showing. The remaining 15 tonnes (approximate) were provided by blocks excavated during trenching over the VN4 showing. Block sizes ranged from 10 cm to 2 m.

The VN4 and VN6 showings were discovered this summer during basic prospecting activities. Both showings lie about 350 m south-east of the Miller pit, between VN3 and Miller. The VN4 showing consists of graphite veins similar to those at VN3. VN6 represents a new style of mineralization, in which the graphite replaces marble horizons, resulting in multiple layers of graphitic marble bands.

The bulk sample currently being processed includes material from all known significant surface exposures of graphite, and is therefore fully representative of the lower grade Miller hydrothermal graphite mineralization.

Qualified Person

Mr. Oliver Peters, M.Sc., P.Eng, MBA, (Consulting Metallurgist for SGS and Principal Metallurgist of Metpro Management Inc.) is an Independent Qualified Person under National Instrument 43-101, and has reviewed and approved the technical information provided in this news release.

On Behalf of the Board of Directors

CANADA CARBON INC.

R. Bruce Duncan, CEO and Director

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