

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 23, 2016) - [Canada Carbon Inc.](#) (the "Company") (TSX VENTURE:CCB) (FRANKFURT:U7N1) is pleased to provide an update on its progress towards the permitting and financing for a marble quarry and a graphite mine on its flagship Miller Project in southwestern Quebec. Amendments made by the Quebec government to the Mining Act were proclaimed in force on December 31st, 2015, while certain Regulations to the Act applicable to small mining projects (less than 500 tonnes/day, non-metallic ore) were made public in September, 2016. Our review of the changes indicates that there will be an impact on the sequence in which the Company will receive the required approvals. However, these changes will not affect either the overall timelines to complete the permitting process or the subsequent development of production capability for either the marble quarry or the graphite mine. In contrast to the timelines published in the Company's Preliminary Economic Assessment ("PEA") filed to SEDAR on April 14th, 2016, the quarry permit will now be issued after land use and environmental approvals have been obtained. Also, the community consultation and social impact assessment for the graphite mine will now be conducted as part of the revised mining lease application process, in accordance with the new Mining Act Regulations for small mining projects.

E. Richard Klue, B.Com, NHD Ext. Met, a senior member of the Company's Technical Advisory Committee, advises, "In a series of press releases dated March 11th, 2015, October 29th, 2015, and March 7th, 2016, Canada Carbon has discussed its work programs to concurrently advance the permitting and engineering of the Miller Project. The changes to the Mining Act and its Regulations have substantially altered the specifics of the required permitting on more than one occasion. In contrast, the engineering development program has been progressively advancing towards feasibility level assessment. The Canadian Institute of Mining Definition Standards requires that a Pre-Feasibility Study ("PFS") includes a detailed trade-off analysis of various mine and mill parameters, in order to demonstrate a preferred methodology. Many of Canada Carbon's engineering programs have already advanced to Feasibility Study ("FS") levels of confidence, such that it no longer makes economic sense to publish a PFS-level Technical Report on the Miller Project. Moreover, the new permitting process will require certain elements of the documentation required for public consultation to be at the FS level. Therefore, Canada Carbon has elected to bypass the previously reported PFS, and will instead complete a FS on the Miller Project."

The Company would also like to report that certain lands adjacent to the proposed Miller Project infrastructure and mine development areas reported in the April 2016 PEA have subsequently been formally removed from (maple) sugar bush reserve status. The release of this additional land for development will likely enable the Company to integrate the thermal upgrading treatment plant and processing facility with the proposed mining and graphite flotation concentration facilities at the Miller Project. The Company had previously planned to transport the graphite concentrate by truck to its property at Notre-Dame-du-Laus, where it had planned to develop its thermal treatment and product storage capacity. By locating all of its operations within its Grenville-sur-la-Rouge property, the Company expects to significantly reduce its projected operational and administrative costs.

Project Financing Discussions

The Company has begun detailed negotiations to secure the funding required to meet the initial capital and operating expenditures for the Miller Project construction and development activities. The Company has met with Quebec government organizations tasked with funding resource development projects, as well as non-governmental agencies which invest in Quebec projects which will provide well-paying jobs in regions of the province with high unemployment. The Company has also begun the process of seeking asset-based capitalization through federal government business development agencies.

Canada Carbon Executive Chairman and Chief Executive Officer Mr. R. Bruce Duncan remarked, "As the Company continues to develop its business plan for the production and sale of both the Miller Project's nuclear purity graphite and architectural marble blocks, we will move closer to finalizing the agreements which will provide the start-up capital for the Project, with as little dilutive impact on shareholders as possible.

The PEA reported annual marble production at twice the volume required to fulfill the existing off-take agreement. We anticipate further market developments for the unallocated marble capacity as soon as the Company is fully permitted for production."

Quarry Permit for the Extraction of Marble Blocks

On November 21st, 2016, the Company provided the municipality of Grenville-sur-la-Rouge with a final copy of its application to the Commission de la Protection du Territoire Agricole du Québec ("CPTAQ") for the release of the Miller Project lands from protected agricultural land reserves. The application will be presented at the next public meeting of the Town Council to obtain its formal approval, on December 12th, 2016. Subsequently, the CPTAQ documents and the mine closure and reclamation plan will be made available to interested parties by CPTAQ as part of the approval process. The Company will also submit its application for a Certificate of Authorization ("CA") for quarrying activities so that it is reviewed in parallel with the application to the CPTAQ. Upon land use approval by the CPTAQ, the Company should shortly thereafter obtain the CA from the Ministry of the Environment, which will allow the Company to start pre-production activities at the quarry site, on or about April 2017. The quarry permit should be obtained from the Ministry of Mines by the end of May 2017, shortly after obtaining the CA, which will allow the Company to immediately begin the production and sale of architectural marble blocks.

Graphite Mining Permit

The Company expects to receive its updated graphite resource estimate from SGS Canada at some time during the next few

weeks. This revised resource estimate will incorporate the results from the graphite mine infill sampling program, including an additional 47 diamond drill holes and 30 new bedrock channels (4,988 new assays in total), which will be used to upgrade inferred resources to the indicated or measured categories required for feasibility level economic analysis. The Company anticipates performing additional drilling over this winter to improve the definition of the Miller Project graphite mineralization, which will be used to complete a Feasibility Study in 2017. A Feasibility Study is required as part of the mining lease application.

The Company has completed a preliminary mine closure and reclamation plan using the information provided in its PEA for inclusion in its CPTAQ land use application. The mine closure plan will later be updated using the information to be obtained from the FS process. In the same way, noise impact studies already underway will be finalized using the data from the FS process. Background hydrogeology tests have been completed, and the final studies will be conducted once the mine pit boundaries are fully defined. Geotechnical studies were completed using data obtained during the drill campaign performed in winter 2016, and will be updated for final design and approval of site infrastructure.

Once these environmental studies are finalized, the Company will submit its application for a CA for its graphite mining activities. A review of the CA and the FS will be required before the Company will receive its mining permit. A formal survey of the perimeter of the mining lease is being reviewed for final approval by the Ministry of Energy and Natural Resources ("MERN"). No change to the development timeline is expected, and graphite mine production is still expected to begin on or about December, 2017.

CANADA CARBON INC.

R. Bruce Duncan, CEO and Director

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