

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 14, 2016) - [Canada Carbon Inc.](#) (the "Company") (TSX VENTURE:CCB), (FRANKFURT:U7N1) is very pleased to announce an updated Mineral Resource Estimate for its flagship 100% owned Miller Graphite Project located 80 kilometres ("km") west of Montréal, near Grenville, Québec. The Resource Estimate was prepared pursuant to Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") by the independent firm SGS Canada Inc. ("SGS") of Blainville, Quebec. The updated Resource Estimate includes an indicated resource of 2.65Mt ("million tonnes") with an average grade of 0.80% graphite, and an inferred resource of 7.56Mt with an average grade of 0.77% graphite, within the boundaries of an optimized open pit mine model. The new pit constrained graphite resources have increased by 379% compared to what was reported in the Company's Miller Project Preliminary Economic Assessment, filed to SEDAR on April 14th, 2016. A Technical Report supporting the new Resource Estimate will be filed to SEDAR within 45 days, as required by NI 43-101.

TABLE 1: GRAPHITE MINERAL RESOURCES

Cut-off Grade (%Cg)	Resource Category	Tonnage (Mt)	Average Grade (%Cg)	Contained Graphite (t)
0.50	Indicated	2,645,000	0.80	21,200
0.50	Inferred	7,557,000	0.77	58,000

1. Inferred mineral resources are exclusive of the Measured and Indicated resources.
2. A fixed density of 2.83 t/m³ was used to estimate the tonnage from block model volumes.
3. Resources are constrained by the pit shell and the topography of the overburden layer.
4. Effective date December 14th 2016

The Company has thus far completed sufficient diamond drilling and bedrock channel sampling to result in a resource calculation that would confirm adequate indicated graphite resources to support a minimum 10 year mine life with a maximal depth of the pit at 126 vertical meters. Geological modeling based on the drill results and surface trenching and mapping indicates that the deposit remains open at depth and on both strike extensions. The geological model also provides multiple exploration targets with the potential to further expand the graphite mineral resources. The portion of the Miller Project which is the subject of the updated Resource Estimate occupies only 0.29 square kilometres within the approximately 72 square kilometres of unrestricted contiguous mineral claims held by the Company. As reported in the press release dated November 23rd, 2016, the Company anticipates performing additional drilling during this coming winter, to better define the graphite mineralization for pit optimization and economic assessment within a Feasibility Study of the Miller Project. The Company also intends to assess its architectural marble unit by utilizing hyperspectral logging equipment to obtain precise information about marble colour from drill core. The instrumental data will enhance productivity during marble quarrying operations, as well as supporting improved quarry economic assessments for inclusion in the Feasibility Study. The hyperspectral data will be available prior to the planned quarry opening in May 2017.

Canada Carbon Executive Chairman and Chief Executive Officer Mr. R. Bruce Duncan remarked, "The substantial increase in pit constrained graphite resources provides strong support to move into the next phase, i.e. the Miller Project feasibility study."

Mineral Resource Estimation Parameters

The Mineral Resources were estimated by Jean-Philippe Paiement, P.Geo., M.Sc., of SGS with an effective date of November 23, 2016. This estimate is the second Mineral Resource Estimate produced by Canada Carbon since the acquisition of the Miller property in September 2013. The Mineral Resources were estimated using the following geological and resource block modeling parameters which are based on geological interpretations, geostatistical studies and best practices in mineral estimation:

Graphite Mineral Resources

- Mineral Resources were estimated from the diamond drill holes and channels analytical results completed by Canada Carbon since 2013. A total of 151 drill holes and 96 surface/channels, comprising 8,148 assays were used for the mineral resources model.
- The 3-D modeling of graphite Mineral Resources was conducted using a minimum cut-off grade of 0.50% Cg over a 2 m horizontal thickness within a preliminary lithological model. The initial mineralized solids were developed using Leapfrog®, and subsequently remodelled by incorporating the complete assay dataset into the Leapfrog model, within SGS's proprietary modeling software Genesis©.
- Assay data were composited to 1.5m.
- The interpolation was conducted using Ordinary Kriging of the low grade graphite mineralization and Indicator Kriging for the high grade graphite veins.
- The block model was defined by a block size of 5 m long by 5 m wide by 5 m thick and covers a strike length of approximately 1,030 m to a maximal depth of 170 m below surface. The modeled graphite mineralization is open both at depth and strike.
- The Mineral Resources were constrained within the boundaries of an optimised pit shell using the parameters stated in Table 2 below. All parameters are derived from economic assessment process associated with the Company's Miller Project PEA, and adapted for use in developing the new Resource Estimate. Any interpolated blocks of the resource model located outside of the optimised pit shell are not included in the Mineral Resources.

- All dollar values in Table 2 are expressed in Canadian dollars, with the exception of the revenue value for the thermally treated graphite, assumed to be US\$ 13,000/tonne. At an assumed currency exchange rate of 0.75, the revenue/tonne is approximately CDN\$ 17,300.

TABLE 2: PARAMETERS USED TO MODEL OPTIMIZED GRAPHITE RESOURCES

Parameters	Value	Unit
Mining Mineralized Material	7.24	\$/t mined
Mining Overburden	2.22	\$/t mined
Mining Waste	-1.00	\$/t mined
Mining Dilution	5.00	%
Mining Recovery	95.00	%
Crushing and Processing	37.07	\$/t milled
Treatment and Refining	1,560.34	\$/t conc.
General and Administration	8.21	\$/t mined
Freight Mine to Treatment	1.00	\$/t mined
Revenue from Purified Graphite	13,000	\$/t sold
Concentration Recovery	88.00	%
Royalties	3.60	%
Pit Slopes	45.00	degrees
Density of Mineralized Material and Waste	2.81	t/m ³
Density of Overburden	1.80	t/m ³

Cautionary Note: This Resource Estimate is considered by SGS to meet the requirements of a Resource Estimate as defined by Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no guarantee that all or any part of the Mineral Resource will be converted into a Mineral Reserve. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves (as defined in NI 43-101). Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

MILLER PROJECT OVERVIEW

The 100%-owned Miller Graphite and Marble Project is located in the Outaouais Region of southern Québec, Canada, about 80 km west of Montréal, Québec and 90 km east of Ottawa, Ontario. The closest cities are Grenville, Québec (5 km to the south) and Hawkesbury, Ontario (8 km to the south). The property is easily accessible from Highway 50, which runs approximately 2 km to the south of the Project boundary, and Scotch Road, which traverses the property from south to north. A wide range of services are available locally in the town of Grenville and at the nearby cities of Hawkesbury or Lachute. Project-specific services such as tree cutting, excavating, drilling, and blasting are available from local operators. Other required services including emergency response, equipment maintenance shops, transport companies, mobile electricians, mobile mechanics, security firms, IT firms, engineering, environmental and geological consultants, restaurants and a variety of housing options are all available near the Property. The local skilled labour force is capable of supporting a mining operation. A power line crosses the southern part of the Property and a railroad runs parallel to Highway 50, near Grenville. The Project is 90 km via paved highway from the container port at Montreal.

Qualified Person

Mr. Jean-Philippe Paiment, P.Geo, M.Sc., from SGS Canada Inc., an independent Qualified Person as defined by National Instrument 43-101 guidelines, and has reviewed and approved the technical related content of this news release.

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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