

The Facts about the Miller Project



Canada Carbon has been working on the Miller Project in Grenville-sur-la-Rouge (“GSLR”) since 2013. We have been excited that our exploration efforts have found that the Miller Project has unique graphite which is among the purest graphites in the world.

The Miller Project, which is on privately owned land, includes a marble quarry and graphite mine. Our Project is very small with our mine and graphite pits only requiring 0.12km².

Throughout our work we have hired independent experts to assess different aspects of our project including: environment in general, hydrogeology, soil potential, maple bush potential, wildlife and their habitats, acoustic impact, reclamation plan and the creation of jobs. We have been very transparent about our findings. As a public company, we are required to ensure that any information that is released is done so to all stakeholders at the same time. Once we have press released our findings, the reports are publicly posted on our website for all to see. We encourage everyone to check out our website at (<http://www.canadacarbon.com/docs/miller-project-reports/>) to view the reports.

While we don’t expect everyone in GSLR to approve of the Miller Project, we believe that once the factual information regarding the Project’s small size, limited impact on the environment, job creation and economic potential is made public and better understood, the citizens of GSLR will have a more favorable view of the Project.

While we have made our reports public and attempted to discuss the Project and respond to questions and comments at our open house on February 22nd and 23rd, 2017 and by attending public forums such as the public information session with the Coalition pour que le Québec ait meilleure mine, there has been an effort by certain citizens to intentionally put out false information on the Project for the purpose of scaring the citizens of GSLR. A number of those citizens were elected as Councillors in November 2017 and their efforts to put out false information has not ceased since they took public office.

We requested a meeting with the Mayor to discuss the Project with the view of understanding the concerns of GSLR so that modifications to our Project plan can be made if possible to improve the acceptability of the Project. The Mayor has not responded to our request for a meeting and instead, the GSLR Council passed a resolution to reject the Miller Project. The basis on which the Council has rejected the Project contains intentional inaccuracies. The Council has never provided any support for its

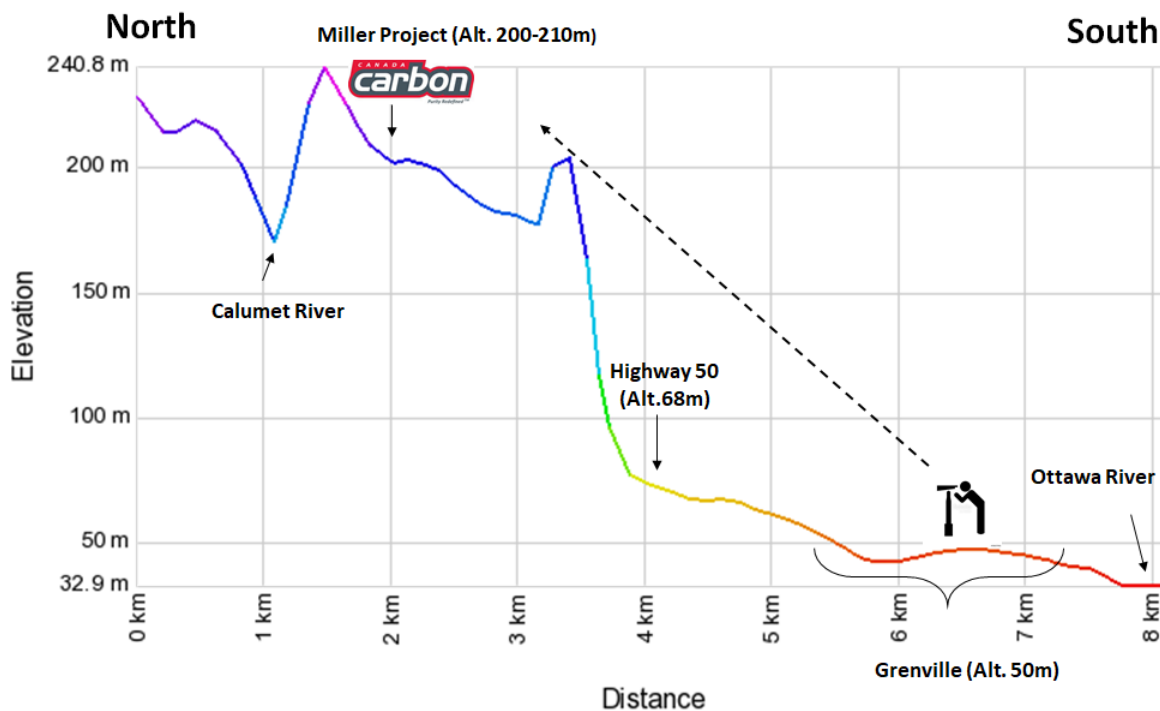
objections to the Miller Project. We feel the citizens of GSLR are owed the truth, accordingly, we find it necessary to address these inaccuracies.

The following chart outlines the actual facts alongside the inaccurate statements made in the GSLR Municipal Council Resolution.

Resolution of the Municipal Council 2018-01-012: Position of the Municipality on Canada Carbon and its Miller Graphite Mine. (January 23, 2018)

Paragraph	Statement made in GSLR Resolution	Facts
1	The view from the bridge that links Ontario and Quebec is principally the mountain that Canada Carbon is working on.	Canada Carbon’s Miller Project is located in the valley <u>behind</u> the mountain that is seen from any location of GSLR’s lowland. The Project <u>will not be visible</u> from the lowland or Scotch road. See Figure 1 below for a visual explanation.
	The surface of the exploitation is more than 1 km ²	The pits, as planned, will occupy an area of 0.12 km ² . (see Preliminary Economic Assessment Page 174-175).

Figure 1: Topographic Section from the Ottawa River to the Miller Project, showing that a first set of mountains blocks the view of the Project.



Paragraph	Statement made in GSLR Resolution	Fact
2	<i>The roads are not made for the needs of mining.</i>	CCB wants to minimize its impact and has already committed to investing up to \$1.2 million on Scotch road for safety, repair and maintenance. (see Letter sent by Canada Carbon December 11, 2016 to GSLR councillors titled: <i>Canada Carbon - Road Impact</i>).
	<i>Citizen's well may dry up.</i>	Dewatering of the quarry <u>will not have any impact</u> on the quantity or quality of any water well in the municipality of GSLR, including the neighbors well. (see Étude hydrogéologique, page 10 and Figure 9: Rayon d'influence in annex B).
	<i>There will be disturbances related to industrial noise.</i>	CCB proposes to reduce sound impact through the use of acoustic walls and limiting hours of operation for certain activities. CCB current modeling meets the Ministry of the Environment (MDDELCC) standards. (see Étude Acoustique, page 13) CCB will continue to seek ways to reduce sound impact.
3	<i>The municipality cannot afford the loss caused by the loss of its property value</i>	Based on the impacts we are currently aware of, and our proposed mitigation measures, there is no evidence to conclude that the Miller Project would have an impact on property values. On the other hand, Canada Carbon's future infrastructure will add to the municipality's tax base.
	<i>There will be a depreciation of the value of the properties located in the project vicinity</i>	Based on the impacts we are currently aware of, and our proposed mitigations measures, there is no evidence to conclude that the Miller Project would have an impact on property values. Even in Malartic, Abitibi, where the mine is known to have generated nuisances, all properties have experienced a phase of rising values higher than the rest of the Region since the introduction of the mine (See Rapport de Consultation dans la MRC de la Vallée de l'Or, page 36). This is also true for the properties located in the southern part of Malartic, at a distance of less than 695 m from the mine pit. The Miller Project's closest neighbour is located 720 m from the operation. The Miller Project is significantly smaller than the Malartic mine, which is known to be the largest open pit gold mine in Canada.
4	<i>Miller Project aquifer is classified as class 1</i>	Miller project aquifer is a class 3 (see Étude hydrogéologique projet carrière de marbre Miller), page 8) which means it is non-economically exploitable due to its low volume and it doesn't supply residential water wells

5	<i>Recognition of significant risks of negative consequences</i>	To date, Canada Carbon has not been made aware of, or been provided copies of, reports by professionals indicating significant risks or negative consequences of its Project.
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References:

Agoussounon, L., (2018), Étude hydrogéologique projet de carrière de marbre Miller, Grenville-sur-la-Rouge (Québec). Blumetric Inc. Found at http://www.canadacarbon.com/docs/Final_Hydrogeological_Report_Quarry.pdf

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