

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1      Name and Address of Company**

Canada Carbon Inc. (formerly Bolero Resources Corp.) (the “**Company**”)  
86 Wilson Street, Units A&B  
Oakville, Ontario L6K 3G5

**ITEM 2      Date of Material Change**

December 4, 2012

**ITEM 3      News Release**

A news release with respect to the material change referred to in this report was disseminated on December 4, 2012 and was filed on SEDAR with the British Columbia, Alberta and Ontario securities commissions.

**ITEM 4      Summary of Material Change**

On December 4, 2012, the Company announced that it had closed the previously announced agreement to acquire 100% of the Asbury mining claims from Uragold Bay Resources Inc.

**ITEM 5      Full Description of Material Change**

See press release attached hereto as Schedule “A”.

**ITEM 6      Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

**ITEM 7      Omitted Information**

Not applicable.

**ITEM 8      Executive Officer**

For further information, please contact R. Bruce Duncan, Executive Chairman of the Company at 905-813-8408.

**ITEM 9      Date of Report**

December 5, 2012

**CANADA CARBON INC.**

Per: “R. Bruce Duncan”  
R. Bruce Duncan

## Appendix "A"



86 Wilson Street, Units A & B  
Oakville, Ontario, L6K 3G5  
P: (905) 337-0002 F: (905) 337-0777  
Email: [info@canadacarbon.com](mailto:info@canadacarbon.com)  
Web: [www.canadacarbon.com](http://www.canadacarbon.com)

*FOR IMMEDIATE RELEASE*

### **CANADA CARBON INC. FINALIZES THE PURCHASE OF ASBURY MINE, A FORMER PRODUCING GRAPHITE MINE WITH PLANS TO FAST TRACK THE RE-OPENING**

**December 4, 2012, Oakville, ON, Canada – Canada Carbon Inc. (formerly Bolero Resources Corp.) (the "Company" or "Canada Carbon") (TSX-V: CCB), (FRANKFURT: U7N1)** is pleased to announce that it has closed the previously announced agreement to acquire 100% of the Asbury mining claims ("Claims") from Uragold Bay Resources Inc. ("Uragold" or "UBR").

Pursuant to the terms of the mining claims purchase & transfer agreement ("Agreement") dated August 29<sup>th</sup>, 2012 (as amended by amending agreement dated October 11, 2012), Canada Carbon made an initial contribution of \$30,000 CDN to UBR and a second cash payment of \$70,000 CDN. Upon closing of the transaction today, Canada Carbon has made a further payment of \$200,000 CDN and will pay a yearly royalty of 0.75% on the net production cost for a period of 10 years after the start of graphite production. As further consideration for the transfer and sale of the Claims and related assets, Canada Carbon issued to Uragold 5,000,000 common shares ("Common Shares"), representing approximately 8.7% of Canada Carbon's issued shares.

Stephen Riddle, CEO of Asbury Graphite Mills Inc., a widely regarded expert in the graphite and carbon industry commented: "The Asbury mine contains very high quality natural flake graphite that is easy to process to 95% purity and has a high percentage of large flakes. We look forward to seeing it up and operating again."

Canada Carbon's CEO, Paul Ogilvie commented: "We are very excited to have completed this highly strategic asset and continue to move ahead to re-open the former producing mine. We consider the Asbury mine to be one of the best projects in the country, high grade, top quality, and geographically desirable."

The Company plans to move as quickly as possible to have the mine up and running within 12 to 14 months. By air classifying before milling, the Company hopes to achieve a pre mill grade of 70%. This will allow the material to be trucked to a milling location off the mine site. This advantage is no need for tailing ponds, significantly smaller mill, and simpler permitting.

At this point a feasibility study has not been completed and there is no certainty the proposed operation will be economically viable.

On closing of the transactions contemplated by the Agreement, UBR entered into a voting support and standstill agreement (the "**Voting Agreement**") whereby UBR agreed, among other things, (i) not to vote (or cause to be voted) the Common Shares against any resolution to approve the election of Canada Carbon's management nominees and any resolutions put forward by such nominees until December 3, 2014, (ii) to sell all or any part of the Common Shares over certain thresholds including pursuant to private off-market transactions or specified amounts if such sales occur through the facilities of any stock exchange until December 3, 2015, (iii) not to sell, transfer, gift, assign pledge, hypothecate the Common Shares for a three year period without the prior written consent of Canada Carbon (other than as

permitted in the Voting Agreement), (iv) not to grant (or agree to grant) any proxy or other voting right for a three year period to any of the Common Shares, and (v) not to acquire, directly or indirectly or through an affiliate, any Canada Carbon common shares until December 3, 2015 without the prior written consent of Canada Carbon.

Upon completion of this transaction, Canada Carbon now has 57,104,558 common shares issued and outstanding.

#### **ABOUT ASBURY GRAPHITE MINE**

The past producing Asbury Graphite Mine property consists of two claims and is located approximately 10km northeast of Notre-Dame-du-Laus and about 120km north of the Ottawa-Gatineau area. It is accessible by a good road and a power transmission line runs to the property. Some of the old mill structure still exists and could be refurbished to house a dry milling process. The open pit mine and mill were in operation from 1980 to 1989 where a total of less than 70,000 tons were processed. The operation was shut down in 1990 due to falling graphite prices.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and Canada Carbon is not treating the historical estimate as current mineral resources or mineral reserves.

In 1974, a historic estimate of 578,000 tons grading 10% large flake graphite was reported. Additional drilling in 1985 indicated the potential for additional ore at the bottom of the pit and both to the north and south of the existing pit. These included significant intervals ranging from around 4 to 10% carbon.

A qualified person has not verified the relevance and reliability of the 1974 metallurgical results outlined above. A qualified person has not verified the relevance and reliability of the 1985 drill results outlined above.

Past metallurgical tests on bulk samples from the deposit have shown that a graphite concentrate with a recovery of 85% was produced where by 50% of the concentrate falls into the large flake grade with an average carbon content of 90% and a flake size of +80 mesh. 25% fall in the medium flake category with an average carbon content of 80% carbon and a flake size between -80 and +200 mesh. With more advanced milling technology available today, these recoveries and purity may be significantly improved.

#### **ABOUT CANADA CARBON INC. (CCB - TSX.V)**

Canada Carbon is a carbon sciences company - our goal is to be the most efficient graphite mining and high purity company in the world with the highest quality materials. We are trying to achieve this by deploying proprietary technologies, sound environmental policies, best practices companywide and employing the best people the industry has. Together, our goals will be realized by being customer centric and on the constant leading edge.

Canada Carbon is a natural resource company focused on the acquisition and development of graphite properties throughout Canada. Canada Carbon holds 100% interest in 38 mineral claims located in Maria Township, 17 kilometres south of the community of Bissett Creek on the Trans Canada Highway between the cities of Ottawa and North Bay, Ontario. These claims cover an area of approximately 2,000 hectares (4,940 acres) that surround and are contiguous to Northern Graphite's Bissett Creek graphite deposit. Northern Graphite recently reported the extraction of very large high purity flake graphite consistent across the entire resource with overall recovery rates of 97%. (NGC.V News Release 23/04/2012).

On behalf of the Board of Directors  
"R. Bruce Duncan"  
Executive Chairman  
**E-mail inquiries: [info@canadacarbon.com](mailto:info@canadacarbon.com)**

*"Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."*

**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](http://www.sedar.com)).