FORM 51-102 F3
MATERIAL CHANGE REPORT

ITEM 1 **Name and Address of Company**

Canada Carbon Inc. (the "**Company**")
Suite 605 -1166 Alberni Street
Vancouver, BC V6E 3Z3

ITEM 2 **Date of Material Change**

December 27, 2013.

ITEM 3 **News Release**

A news release with respect to the material change referred to in this report was disseminated on December 27, 2013 and was filed on SEDAR with the British Columbia, Alberta and Ontario Securities Commissions.

ITEM 4 **Summary of Material Change**

On December 27, 2013, the Company announced that it had completed a private placement of 1,116,000 flow-through units, all as more particularly described in the attached press release.

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, Chief Executive Officer of the Company at 905-813-8408.

ITEM 9 **Date of Report**

January 3, 2014

CANADA CARBON INC.

Per: "*R. Bruce Duncan*"
R. Bruce Duncan

Schedule "A"

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CANADA CARBON CLOSES FLOW-THROUGH FINANCING

December 27, 2013, Vancouver, BC, Canada – Canada Carbon Inc. (the "Company") (TSX-V: CCB announces that it has closed a non-brokered private placement (the "**Private Placement**") which raised gross proceeds of $178,560. Specifically, the Company issued 1,116,000 flow-through units ("**Units**") to one placee at a price of $0.16 per Unit. Each Unit is comprised of one common share in the capital stock of the Company, to be issued as a "flow-through share", and one-half of one non-flow through common share purchase warrant ("**Warrant**"), with each whole Warrant being exercisable for the purchase of an additional non-flow-through common share, at a price of $0.25 per share, for an eighteen month period.

89,280 compensation warrants ("**Compensation Warrants**") were issued and $10,713.60 in finder's fees were paid in connection with the Private Placement. The Compensation Warrants are exercisable at a price of $0.16 into one non-flow-through common share for an eighteen month period. In accordance with applicable securities legislation, all securities issued in the Private Placement are subject to a statutory hold period of four months and one day.

The proceeds from the Private Placement will be used to advance the exploration of the Company's key graphite properties.

On Behalf of the Board of Directors

CANADA CARBON INC.

"R. Bruce Duncan"
CEO and Director

Contact Information
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"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).