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# CANADA CARBON PROVIDES UPDATE ON CPTAQ

**February 8st, 2018, Vancouver, BC, Canada – Canada Carbon (the "Company") (CCB:TSX-V) (BRUZF:OTC) (U7N1:FF)** was informed on January 25, 2018 by a shareholder that the Québec's Agricultural Board (the *Commission de protection du territoire agricole du Québec* or "**CPTAQ**") website had changed the status of Canada Carbon's application to "administrative closure".

In discussions with the CPTAQ, it has been determined that the administrative closure is the result of the receipt by the CPTAQ of a resolution from the new council for the Municipality of Grenville-sur-la-rouge ("GSLR"), dated December 12th, 2017 which made the declaration that Canada Carbon's application did not conform with municipal regulations.

On both December 14th, 2016 and March 10th, 2017, the former council of the GSLR submitted Certificates of Compliance to the CPTAQ stating that CCB's application was in conformity. CCB's rights were crystallized on the date of issuance of these Certificates of Compliance.

The new council of GSLR, elected in November 2017, submitted their resolution of non-compliance prior to awaiting the resolution of the by-law dispute which is still before the courts. In addition, the new council of GSLR passed their resolution without speaking to or advising CCB.

The Company has received mixed messages from the CPTAQ as to whether the file should be closed or suspended pending resolution of the dispute. It is the Company's firm belief that the CPTAQ should not have ceased its review. A motion for the issuance of a safeguard order aimed at forcing the GSLR Municipality to withdraw the certificates of conformity filed with the CPTAQ in connection with the Miller Project was heard by the Superior Court on June 9th, 2017 and was dismissed on the bench by the Tribunal, with costs. In support of the decision, the Superior Court concluded that the Regional County Municipality of Argenteuil confirmed that the Zoning by-law and the Municipality's Urban Plan are in conformity with its Development Plan; the Zoning by-law adoption process complied with the provisions of the Act respecting land use planning and development and appears to be in compliance with all applicable legal requirements; the Zoning-by-law is now deemed compliant because the applicable time limit to contest its validity has expired; and the mining operations are governed by the Mining Act rather than municipal by-laws and as a result, Zoning by-laws do not apply to that part of the Miller Project. The Safeguard Application was filed by a group of citizens, several of whom have subsequently become new council members of GSLR in the November 2017 election.

The Company will specifically be seeking clarity from the CPTAQ with respect to the continued review of the proposed graphite mining operations. Section 246 of Quebec's Land Use Planning and Development Act specifically exempts mining operations from the scope of municipal zoning and other land use by-laws. The Courts have confirmed that graphite mines are not subject to municipal zoning and land use by-laws therefore the by-law dispute with the GSLR should be irrelevant to the CPTAQ.

The Company is in the process of appealing the CPTAQ decision and will provide further updates as information becomes available.

**CANADA CARBON INC.**

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