

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

**Item 1. Name and Address of Company**

Canada Carbon Inc. (the “**Company**”)  
The Canadian Venture Building  
82 Richmond Street East  
Toronto, ON M5C 1P1

**Item 2. Date of Material Change**

September 29, 2022

**Item 3. News Release**

A press release was disseminated on October 3, 2022 via Globe Newswire.

**Item 4. Summary of Material Change**

On October 3, 2022, the Company announced the closing of a non-brokered private placement of 13,333,300 units (each, a “**Unit**”) at a price of \$0.06 per Unit for aggregate gross proceeds of approximately \$800,000. Each Unit is comprised of one flow-through share in the capital of the Company, as defined in subsection 66(15) of the *Income Tax Act* (Canada) and one-half of one (1/2) common share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company (each, a “**Common Share**”) at a price of \$0.10 per Common Share for a period of 24 months from the date of issuance.

**Item 5. Full Description of Material Changes**

A full description of the material change is contained in a press release, a copy of which is attached hereto as Schedule “A”.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item 7. Omitted Information**

Not Applicable.

**Item 8. Executive Officer**

Further information regarding the matters described in this report may be obtained from Ellerton Castor, Chief Executive Officer of the Company, who is knowledgeable about the details of the material change and may be contacted at (905) 407-1212.

**Item 9. Date of Report**

October 4, 2022

**SCHEDULE "A"**

*See attached.*



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## CANADA CARBON CLOSES PRIVATE PLACEMENT OF FLOW-THROUGH UNITS

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

**October 3, 2022, Toronto, ON, Canada** – Canada Carbon Inc. (the "**Company**") (**TSX-V: CCB**) is pleased to announce the closing of a non-brokered private placement of 13,333,300 units (each, a "**Unit**") at a price of \$0.06 per Unit for aggregate gross proceeds of approximately \$800,000 (the "**Offering**"). Each Unit is comprised of one flow-through share (each, a "**FT Share**") in the capital of the Company and one-half (1/2) of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company (each, a "**Common Share**") at a price of \$0.10 per Common Share for a period of 24 months from the date of issuance. The FT Shares will qualify as "flow-through shares" within the meaning of the *Income Tax Act* (Canada).

"Canada Carbon continues its focus on the development of its full portfolio of assets. The proceeds of this raise will allow the Company to commence a full program of exploration activity on its Asbury Deposit. We have submitted applications for the requisite permits to commence a trenching and drilling program at Asbury. We anticipate completing these efforts by December 31<sup>st</sup>, 2022, and are targeting completion of a resource statement in the first half of 2023.", said Ellerton Castor, Chief Executive Officer and a director of the Company.

All securities issued pursuant to the Offering are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation. The proceeds from the Offering will be used by the Company for eligible flow-through expenditures. The closing of the Offering is subject to final approval of the TSX Venture Exchange.

In connection with the Offering, the Company paid a finder's fee to GloRes Securities Inc., consisting of: (i) a cash fee equal to \$48,000, representing 6% of the gross proceeds raised under the Offering; and (ii) 799,998 warrants (each, a "**Finder's Warrant**"), representing 6% of the Units sold under the Offering. Each Finder's Warrant shall entitle the holder to acquire one Common Share at a price of \$0.10 per Common Share for a period of 24 months from the date of issuance.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of

1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## **CANADA CARBON INC.**

*“Ellerton Castor”*

Chief Executive Officer and Director

Contact Information

E-mail inquiries: [info@canadacarbon.com](mailto:info@canadacarbon.com)

P: (905) 407-1212

## **FORWARD LOOKING STATEMENTS**

This press release contains statements that constitute “forward-looking information” (“forward-looking information”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information. Forward-looking statements in this news release include statements regarding the Offering, including the approval by the TSX Venture Exchange and use of proceeds from the Offering. In disclosing the forward-looking information contained in this press release, the Company has made certain assumptions. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that the expectations of any forward-looking information will prove to be correct. Known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: compliance with extensive government regulations; domestic and foreign laws and regulations adversely affecting the Company’s business and results of operations; the impact of COVID-19; and general business, economic, competitive, political and social uncertainties. Accordingly, readers should not place undue reliance on the forward-looking information contained in this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking information or otherwise.

*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.*