



Questions regarding a small mine

March 28th, 2018

On December 13th, 2016, during a municipal council meeting, the citizens of Grenville-sur-la-Rouge learned that a company (Canada Carbon Inc.) wanted to withdraw an area from agricultural land zoning in order to develop a mining project. Since that day 15 months ago, the mining company has held an open house spanning over two days in February 2017. Then, in October 2017, the company was invited by a group of citizens to offer a short presentation as part of a general information panel, followed by a question period. In February, 2018, the company cancelled a scheduled two day open house information session.

There are many questions that need clarification on many subjects, the following are some, among others:

"Rolling resource approach"?

Canada Carbon Inc. posts on its website the presentation document "Canada's first purity and nuclear project".
https://www.canadacarbon.com/docs/Canada_Carbon_Presentation.pdf

This is a 29 page PDF document about the MILLER project, with the following information available on page 2:

- <<•Company will use rolling resource approach to manage deposit
- Will continue to explore while in the resources definition and production stages
- Miller Project represents only 0.22 km² of the total 100 km² claims package
- Significant number of anomalies and historic graphite showings still to be explored>>

This rolling resource approach is mentioned more than once in this presentation document, see also page 11 entitled «**Why start small?**».

https://www.canadacarbon.com/docs/Canada_Carbon_Presentation.pdf, p. 11, Why start Small?

A well-informed source describes this approach with the following example:

Company X begins work in one open-pit mine for a defined quantity of resources (ex. graphite). While this work is in progress, the company continues exploring and finds, 300 metres further from the open pit, other graphite resources that are not part of the original plan, therefore this means this new quantity of resources, added to the original defined quantity for the first open pit, becomes a new available resource ("rolling resource").

However as this new location is not part of the initial area of the open pit planned for the project, company X is required to apply for an enlargement of the project, which requires time.

Therefore, while the work is taking place in the initial open pit mine, a demand for the enlargement of the project is issued. This does not slow down the work already taking place and allows company X, more importantly, to continue adding to the initial demand, and to be able to continue exploitation at the same time.

This way of doing things, by acquiring authorization for a smaller project, allows the company to start the exploitation phase more quickly. A request prepared for a larger project would initially require much more information and time, would be more expensive at the beginning (at a time when no revenue is available), would necessitate the identification of a more important quantity of resources, could oblige the company to acquire an evaluation by the "Bureau d'audiences publiques sur l'environnement" (BAPE), and would bring forward more questions, etc.

In doing research on Canada Carbon's website, one can find examples of many earlier communications.

Of particular interest are the May 2016 https://www.canadacarbon.com/newsdetail?&newsfile=ccb_20160517.htm

and July 2016 https://www.canadacarbon.com/newsdetail?&newsfile=ccb_20160721.htm

documents announcing that, in the western part of the claims that belong to the company, approximately 10 km west of the Miller project, researchers have identified other locations with strong probability of graphite presence encased in the marble, as is the case for the phase 1 of the MILLER project.

This western part is located near Avoca Road.

According to the application sent to the CPTAQ on December 2016, the area they would like to withdraw from agricultural land zoning is 66.56 hectares (0,56 km²).

According to the Restoration Plan posted on the company's internet website :

https://www.canadacarbon.com/docs/CCB-Fermeture-Plan-de-fermeture-Canada-Carbone_PRELIMINAIRE.pdf, p.93 of 173 pages PDF

- The area of the three open pits including the marble quarry is 0,12 km²
- The area of the mining lease is 0,51 km²

Considering we have been told that the area of the open pits is 0,12 km²,

https://www.canadacarbon.com/docs/Resolution_FR.pdf, 12 mars 2018

this area is utilized for the Restoration (Closing) plan, and also considering the costs of the restoration posted on the internet

https://www.canadacarbon.com/docs/CCB-Fermeture-Plan-de-fermeture-Canada-Carbone_PRELIMINAIRE.pdf, p.84 of 173 pages PDF

(Knowing in all likelihood that this information will be offered to various ministries in order to obtain authorization certificates for a quarry and mining lease), what are the answers to the following questions?

Would this project be interesting for the company and its investors if the total of the open pits for this project would be limited to their initial area (0,12 km²)?

If this project would ultimately get the authorizations to enlarge its initial area of exploitation (open pits), how would we know about this?

How could we stop this progression as citizens, and as a municipality?

These are only a few of the many questions we would like answers to, as concerned citizens of the municipality.