Graphite One Increases High-Grade Inferred Resource by 41% to 37.68 Million Tonnes of 9.2% Graphite

20.01.2014 | Marketwired

CALGARY, ALBERTA--(Marketwired - Jan 20, 2014) - **Graphite One Resources Inc. (TSX VENTURE:GPH)(OTCQX:GPHOF)** ("Graphite One" or the "Company") is pleased to announce an increase of the existing inferred resource by 68 per cent ("%") to 284.71 Million Tonnes ("Mt") of 4.5% Graphitic Carbon ("Cg"), and by 41% to 37.68Mt of 9.2% Cg at cut-offs of 2% Cg and 7% Cg, respectively (see Table below). The resource is comprised from drilling along 4.8 km of continuous near surface high-grade graphite mineralization.

The Graphite Creek Deposit is only 18 miles from a seasonal road and approximately 24 miles from a newly proposed deep-sea port west of Teller (Port Clarence), which could be accessible by either land or water.

Highlights:

- Largest known, high grade, large flake Graphite Deposit in the United States and North America.
- This new and expanded inferred resource is comprised of 2012 and 2013 drilling by Graphite One and represents a 68% increase of the estimated in situ graphite from the previous 2012 maiden resource.
- High-grade graphite mineralization is at surface and extends from surface to depths of over 200m.
- The 2013 drilling program further confirmed excellent continuity of near surface, high grade graphite within a simple and accessible geological setting and doubled the strike length of current mineralization at the Graphite Creek Deposit to 4.8 km's.
- The resource area (4.8km) only represents drilling along 27% of an 18km long electro-magnetic conductor.
- The Deposit remains open along strike to both the east and west, and down dip. Every hole continues to be mineralized from top to bottom.

2014 Graphite One Inferred Resource[c]			
Cut-Off Grade (% Cg) by LECO	Tonnage (Million Metric Tonnes)[a]	Graphite % (Cg) by LECO	In Situ Graphite (Metric Tonnes)[a]
2	284.71	4.5	12,756,000
3[b]	186.86	5.5	10,346,000
5	95.93	7.2	6,906,000
7	37.68	9.2	3,467,000
10	8.63	12.8	1,103,000

a: The tonnage and in situ graphite have been rounded off to the nearest thousand, and therefore may not tally due to rounding.

b: This inferred resource recommends using a 3.0 % Cg cut-off. The base case cut-off grade of 3% Cg is based on a conservative approach of resource recovery of 80 to 95% Graphite concentrate with average selling price of $1200 /tonne.

c: Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve.

"The continuity of the mineralization and simple geological structures at Graphite Creek has allowed us to grow our resource to an impressive size with very little drilling (28 drillholes to date). An infill drill program during 2014 will significantly de-risk this deposit by bringing the resource into the measured indicated and/or indicated measured category, and will help us develop our Preliminary Economic Assessment ("PEA")," stated Dean Besserer, Vice President of Exploration and Director for the Company.

The mineral resource estimate was prepared by Steve Nicholls, BASc, MAIG and Roy Eccles, M.Sc., P.Geol. of APEX Geoscience Ltd., both of whom are independent Qualified Persons under National Instrument 43-101, using the most current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines.

Dean Besserer, P.Geol., Vice President of Exploration for the Company and a "Qualified Person" under NI 43-101, is responsible for and has reviewed and approved the technical content of this press release. A NI 43-101 compliant Technical Report describing the 2013 drill program and Expanded Graphite Creek Inferred Resource will be filed on the Company's website and on SEDAR within 45 days.

The Expanded Graphite Creek Inferred Resource are constrained within a drilled area of approximately 4.8km along the northeast striking trend of the graphitic schist, 230m across the strike to the southeast and 320m below surface. Geological interpretation and estimation utilized 28 drillholes (totaling 5,272m) that were drilled by Graphite One in 2012 and 2013. Spacing between drillholes generally varied from 50 to 500 m, with an average of 190 m between drillhole sections. Based on the drillhole spacings, a parent block size of 20m x 20m x 20m with sub-blocking down to 5m x 5m x 5m was applied. The deposit remains open along strike to both the east and west, and down dip.

The graphite deposits occur within distinct geological layers that comprise high-grade massive to semi-massive segregated, and disseminated, large-flake graphite in sillimanite-garnet-biotite-quartz schist and biotite-quartz schist (±garnet) host rocks. Accordingly, the geological model and estimation is guided by eight distinct mineralized lodes, or statistically derived groupings of elevated graphite mineralization, that are shown to extend laterally for various distances along the strike of the deposit. Of these lodes, the highest in situ graphite tonnage occurs in surface/near-surface mineralized lodes comprised of sillimanite-garnet-biotite-quartz schist.

The Graphite Creek assay file comprised 4,930 analyses of variable length from all the sampled lithologies. The mineral resources were estimated using analytical data from 28 surface drill holes for which samples were assayed for Cg using the LECO analytical method (composite to 2m) at Activation Laboratories Inc., Ancaster, ON, Canada ("Actlabs"). Based on drill core lithologies and the assay file, a total of eight different mineralized wireframes, or lodes, were interpreted in the three-dimensional geological model. Of the 4,930 assays in the Graphite One database, 2,599 assays were situated within the mineralized lodes. Upon the completion of the compositing process (at 2m intervals), a total of 1,271 composites were used in the estimation process. Density values (n=4,928) were estimated for each individual block throughout the block model. Variography was limited because most drill sections had a single drillhole, and subsequently, grade estimation of graphite percentage was performed using inverse-distance squared methodology.

Graphite One conducted laboratory quality assurance/quality control ("QA/QC") tests, where 99 duplicate samples from the 2013 drill program were analyzed at two separate, independent laboratories (Actlabs and Acme Analytical Laboratories Inc.). The results yielded good correlation of graphitic carbon between data from the two laboratories with the majority of samples plotting near the 1:1 line, and provides confidence in the graphite concentration data used in the Expanded Graphite Creek Inferred Resource.

Graphite One has its own core logging and sample preparation laboratory / facility in Nome, Alaska. The sample preparation laboratory was installed, and is being managed by Actlabs. This will ensure Graphite One maintains the highest level of QA/QC and ensures timely receipt of analytical results.

About Graphite One Resources Inc.

Graphite One Resources Inc. (TSX VENTURE:GPH)(OTCQX:GPHOF) is exploring with the intent to develop the Graphite Creek Project, USA's only advanced staged large-scale, large flake graphite deposit.

ON BEHALF OF THE BOARD OF DIRECTORS

Charles Chebry

For more information on Graphite One Resources Inc. please visit the Company's website,

www.GraphiteOneResources.com.

http://graphiteoneresources.com/investors/presentations/

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This release includes certain statements that may be deemed to be forward-looking statements. All statements in this release, other than statements of historical facts that address access to capital, regulatory approvals, exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continuity of mineralization, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, and continued availability of capital and financing, and general economic, market or business conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this press release, and the Company undertakes no obligation to update publicly or revise any forward-looking information, except as required by applicable securities laws. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at www.sedar.com.

*The mineral resource estimates reported in this press release were prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"), as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("**SEC**") applies different standards in the classification of mineralization. In particular, while the terms "measured," "indicated" and "inferred" mineral resources are required pursuant to NI 43-101, the SEC does not recognize such terms. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "inferred" mineral resources have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred mineral resources, except in rare cases.*

To view the image associated with this press release, please visit the following link: http://media3.marketwire.com/docs/Fig1GPH.pdf.

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