

Advancing the only Flake Graphite Project in the Contiguous United States of America

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Editors Note: There is a map and two photos associated with this release.

[Alabama Graphite Corp.](#) ("AGC" or the "Company") (TSX VENTURE:ALP)(OTCQX:ABGPF)(FRANKFURT:1AG) is pleased to announce the initiation of the pilot plant at SGS Mineral Services ("SGS") of Lakefield, Ontario, for the Company's flagship 100%-owned Coosa Graphite Project, located in Coosa County, east-central Alabama, USA. In addition to running the Company's pilot plant, SGS will also conduct a variability analysis, flowsheet optimization and concentrate analysis of the Coosa graphite material.

Construction of the Coosa Graphite Project pilot plant is currently underway, with mechanical commissioning targeted for September 30, 2015. AGC's pilot plant was designed, is currently being built, and will be operated by SGS and managed by graphite-industry veteran metallurgist Oliver Peters, MSc, P.Eng., MBA (Consulting Metallurgist for SGS and Principal Metallurgist of Metpro Management Inc.). The pilot plant is anticipated to result in the production of multiple tons of graphite concentrate for the Company's specialty graphite development initiatives, in addition to conveying material to several potential offtake partners for evaluation. As announced on June 25, 2015, AGC has commenced the testing of graphite from its Coosa property for use in lithium-ion batteries, specifically the production of coated spherical graphite ("CSPG" or "battery-ready graphite") for use in lithium-ion battery anodes.

Approximately 200 tons total of graphitic material from the Coosa Graphite Project was excavated from 10 pit locations within the resource grid. The specific pit locations were targeted by Pierre Desautels, P.Geo., Principal Geologist of AGP Mining Consultants Inc. ("AGP") of Barrie, Ontario, in conjunction with Metal Mining Consultants Inc. of Highlands Ranch, Colorado, while working on updating the Coosa Graphite Project's resource model in support of the forthcoming updated Mineral Resource Estimate. AGP was awarded the contract for the Coosa Graphite Project's Preliminary Economic Assessment ("PEA") (see news release dated July 27, 2015), scheduled for completion in Q4 of 2015. As announced on July 23, 2015, the Company's updated Mineral Resource Estimate is currently underway with Metal Mining Consultants and is scheduled for completion by the end of this month (September 2015).

The specific locations of the 10 pits within the resource grid were selected to accurately represent the full spectrum of the deposit - from the spatial extent of the deposit, to the variability in grade and flake-size distribution demonstrated during exploration. In August 2015, approximately 20 tons of graphitic material was excavated from each pit. The excavated material was stockpiled, and subsequently crushed and bagged in one-tonne super sacks on the Coosa property. Nine flatbed trucks drove to the Coosa Graphite Project, loaded a total of 180 super sacks and transported the material directly to SGS, underscoring the Coosa project's ease of access and established area infrastructure. (NOTE: To view the [Alabama Graphite Corp.](#) Coosa Graphite Project Summer 2015 Drilling Program Map and Bulk Test Pits, please visit the following link: <http://media3.marketwire.com/docs/1025005-Map.pdf>).

Co-Chief Executive Officer Donald Baxter, P.Eng., commented, "AGC has reached yet another significant milestone with the commissioning of our pilot plant at SGS, which is a critical component of Coosa's mine development plan. By the fourth quarter this year, we expect to have multiple tons of our finished graphite for our specialty graphite development initiatives (namely coated spherical graphite for use in anodes in the expanding lithium-ion battery market), and to convey to several potential offtake partners for evaluation. I recently spent one week onsite at the Coosa property to supervise the preparation of the bulk sample, and was pleased with efficiency of our team and the ease of preparing the material for transport.

"As one of very few mining engineers outside China to have ever mined and processed flake graphite, I can attest to the advantageous characteristics of our weathered (oxidized) soft, graphitic material," Mr. Baxter said.

President and Co-Chief Executive Officer, Ron Roda also attended the Coosa Graphite Project to oversee operations and to join Mr. Baxter in meeting and touring the property with local stakeholders, including Coosa County Probate Judge and Chairman of the Central Alabama Electric Cooperative, the Honorable Terry Mitchell, and Coosa County Commissioner, Mr. Paul J. Perrett, who were on hand to observe the bulk sample preparation activities. Mr. Roda stated, "After meeting with Judge Mitchell and Mr. Perrett, we are very pleased with the support AGC has received from various levels of government from within the state and, in particular, our local stakeholders."

Alabama Graphite remains on schedule to publish the PEA in Q4 2015, incorporating the Company's drill results from 2012 to summer 2015, and the forthcoming updated NI 43-101 Mineral Resource Estimate in September 2015.

Qualified Person

Donald K. D. Baxter, P.Eng., co-Chief Executive Officer and Executive Director, is a Qualified Person as defined by National

Instrument 43-101 ("NI 43-101") guidelines, and has reviewed and approved the technical content of this press release.

About Alabama [Graphite Corp.](#)

[Alabama Graphite Corp.](#) is a Canadian-based flake graphite exploration and development company. The Company operates through its wholly owned subsidiary, Alabama Graphite Company Inc. (a company registered in the state of Alabama). With the most advanced flake graphite project in the contiguous United States of America, [Alabama Graphite Corp.](#)'s objective is to become the first producing American graphite mine this century. A highly experienced team leads the Company with more than a 100 years of combined graphite mining, graphite processing, specialty graphite products and applications, and graphite sales experience. [Alabama Graphite Corp.](#) is focused on the exploration and development of its flagship Coosa Graphite Project in Coosa County, Alabama, and its Bama Mine Project in Chilton County, Alabama. The Coosa Graphite Project hosts an NI 43-101 Indicated Mineral Resource Estimate of 38.2 million tons grading 2.60% graphitic carbon (Cg) - the largest Indicated Mineral Resource of flake graphite in the United States - based on drilling 0.18 square miles (0.3% of the total land package). Please refer to the Company's technical report titled "Technical Report - [Alabama Graphite Corp.](#) - Coosa Project" dated September 5, 2013 prepared by Scott E. Wilson, C.P.G. and Stewart D. Redwood, F.I.M.M.M. and filed on SEDAR at www.sedar.com.

[Alabama Graphite Corp.](#) holds a 100% interest in the mineral rights for these two U.S.-based graphite projects, which are both located on private land. The two projects encompass more than 43,000 acres and are located in a geopolitically stable, mining-friendly jurisdiction with significant historical production of crystalline flake graphite in the flake graphite belt of central Alabama, also known as the Alabama Graphite Belt (*source: U.S. Bureau of Mines*). A significant portion of the Alabama deposits are characterized by graphite-bearing material that is oxidized and has been weathered into extremely soft rock. Both U.S. projects have infrastructure in place, are within close proximity to major highways, rail, power and water, and are approximately three hours (by truck or train) to the Port of Mobile, the Alabama Port Authority's deep-seawater port and the ninth largest port by tonnage in the United States (*source: U.S. Army Corps of Engineers/USACE*). The state of Alabama's hospitable climate allows for year-round mining operations and the world's largest marble quarry (which operates 24 hours a day, 365 days a year in Sylacauga, Alabama), is located within a 30-minute drive of the Coosa Graphite Project.

For further information and updates on the Company, please visit www.alabamagraphite.com or follow us on Twitter (@AlabamaGraphite) and Facebook (/Alabama.Graphite).

Disclaimer for Forward-Looking Information

This press release contains forward-looking information under applicable Canadian securities laws ("forward-looking statements") that are based on the beliefs of management and reflect [Alabama Graphite Corp.](#)'s current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current view of [Alabama Graphite Corp.](#) with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements.

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Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and [Alabama Graphite Corp.](#) undertakes no obligation to update forward-looking statements (unless required by law) if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

[Alabama Graphite Corp.](#) cautions that the foregoing list of material factors and assumptions are not exhaustive. When relying on [Alabama Graphite Corp.](#) forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and assumptions and other uncertainties and potential events. [Alabama Graphite Corp.](#) has also assumed that the material factors and assumptions will not cause any forward-looking statements to differ materially from actual results or events. However, the list of these factors and assumptions is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

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To view the photos associated with this release, please visit the following links:

Image 1: <http://www.marketwire.com/library/20150915-1025005-l01g.jpg>

Image 2: <http://www.marketwire.com/library/20150915-1025005-l02g.jpg>

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