Advancing a Battery-Grade Graphite Project in the United States of America

TORONTO, ONTARIO--(Marketwired - Feb 8, 2016) - Alabama Graphite Corp. ("AGC" or the "Company") (TSX VENTURE:ALP)(OTCQX:ABGPF)(FRANKFURT:1AG) was disappointed earlier today by a press release that was issued by Northern Graphite Corp. ("NGC"), which made unsubstantiated and speculative allegations against AGC. AGC's management believes the press release was intended to bolster NGC's position within the graphite development industry and distract AGC from its objectives of commercializing its projects and completing its business plans.

NGC made the following unsubstantiated allegations in its news release entitled "Northern Graphite Advances Purification Technology": (a) the low-temperature graphite purification process referred to in AGC's Preliminary Economic Assessment for its Coosa Graphite Project, effective as of November 27, 2015 (the "PEA"), infringes upon the intellectual property rights of NGC; and (b) the reported high margins in the PEA based on production cost estimates of less than US$3,000/t are unrealistic for the purposes of coated spherical graphite projects.

With respect to the first allegation mentioned above, the Company wishes to clarify that the process that AGC's low-temperature graphite purification process is based upon has been publicly known for quite some time. The underlying process was the subject of various patents that expired decades ago.

The Company also wishes to highlight the fact that each graphite deposit has its own purification parameters that depend on characteristics specific to each deposit and end product: no two graphite deposits have the exact same purification requirements or processes. Accordingly, the particular graphite purification parameters used for one graphite deposit will never be the exact same for another graphite deposit because they are specific to each deposit. As a result, copying another company's graphite purification process would not be expected to work or be useful for AGC's purposes.

Additionally, management of the Company disagrees with the assertion that Preliminary Economic Assessments' reported high margins based on production cost estimates of less than US$3,000/t are unrealistic for the purposes of coated spherical graphite projects, and wishes to emphasize that the figures used for its PEA were reviewed and vetted by several Qualified Persons within the meaning of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") who are independent from AGC.

AGC management believes it is irresponsible to make unsupported allegations against a peer-group member without having verified or confirmed the applicable facts. For clarity, no lawsuit has been initiated against AGC or any of its subsidiaries, as acknowledged by NGC. AGC is currently reviewing all measures at its disposal to address the disappointing and speculative assault by NGC, including, but not limited to, commencing litigation against NGC and its spokespersons.

AGC President and Chief Executive Officer Donald Baxter, P.Eng. commented: *"We infer that this speculative attack may be the result of the challenging times that some are facing in the graphite development space. There are many roadblocks for companies that have not been able to adapt their strategies to the changing markets and times, and it must be incredibly frustrating. Regardless, we are confident that the research and development work that has been done to develop AGC's graphite purification and processing capabilities has been built upon information that is already publicly available and then customized for AGC's needs in a manner that does not infringe upon any of the intellectual property rights of others.*

"We will not allow any un-substantiated allegations, which we view as baseless, to delay or distract us in any way from the commercialization and realization of our business plan. We encourage our fellow shareholders to remain steadfast so that we may get back to the business at hand and continue to advance AGC as a company of quality and integrity," stated Mr. Baxter.

Qualified Person

Donald K. D. Baxter, P.Eng., President, Chief Executive Officer and Executive Director of AGC, is a Qualified Person as defined by NI 43-101 guidelines, and has reviewed and approved the content of this news release.

About Alabama Graphite Corp.

Alabama Graphite Corp. is a Canadian-based flake graphite exploration and development company as well as an aspiring battery materials production and technology company. The Company operates through its wholly owned subsidiary, Alabama Graphite Company Inc. (a company registered in the state of Alabama). With an advancing flake graphite project in the United States of America, Alabama Graphite Corp. intends to become a reliable, long-term U.S. supplier of specialty high-purity graphite products. A highly experienced team leads the Company with more than 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 as well the research and development of its proprietary manufacturing and technological processing process of battery materials.

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 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.

On November 30, 2015, Alabama Graphite Corp. announced the results of PEA for the Coosa Graphite Project, indicating a potentially low-cost project with potential positive economics. Please refer to the Company's technical report titled "*Alabama Graphite Corp. Preliminary Economic Assessment (PEA) on the Coosa graphite Project, Alabama, USA*" dated November 27, 2015, prepared by independent engineering firms AGP Mining Consultants Inc. and Metal Mining Consultants Inc., and filed on SEDAR at www.sedar.com.

Note: a preliminary economic assessment is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.

**Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Measured or Indicated Mineral Resources. Mineral Resources that are not Mineral Reserves 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.*

For further information and updates on the Company or to sign up for Alabama Graphite Corp. News, please visit www.alabamagraphite.com or follow us on Twitter, Facebook and LinkedIn.

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.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of graphite; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents. Forward-looking statements are also based on a number of assumptions, including that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for exploration is available as scheduled and does not incur unforeseen breakdowns, that no labor shortages or delays are incurred, that plant and equipment function as specified, that no unusual geological or technical problems occur, and that laboratory and other related services are available and perform as contracted.

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.

OF THE CONTENT OF THIS NEWS RELEASE.

Website / LinkedIn / Facebook / Twitter

Contact

Alabama Graphite Corp.
Ann-Marie M. Pamplin, BA (Hons), BEd
Director of Investor Relations
+1 (416) 309-8641
apamplin@alabamagraphite.com
www.alabamagraphite.com
Alabama Graphite Corp.
First Canadian Place
100 King Street West, Suite 5700
Toronto, Ontario
M5X 1C7
CANADA