

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

TORONTO, ONTARIO--(Marketwired - Jun 23, 2016) - Alabama Graphite Corp. ("AGC" or the "Company") (TSX VENTURE:ALP)(OTCQX:ABGPF)(FRANKFURT:1AG) is very pleased to announce that it has manufactured and shipped two specifications of its coated spherical graphite ("CSPG") to a U.S.-based innovator in Lithium-ion ("Li-ion") batteries for numerous and varied military applications for the United States Department of Defense ("DoD"). AGC conveyed fine- and coarse-sized CSPG made from the Company's Coosa Graphite Project material - located in Coosa County, Alabama, USA - that will be tested in two different defense applications; namely, high-powered military engine starter batteries, and soldier portable power and other energy-dense applications. All requisite downstream secondary processing to manufacture our Coosa CSPG was conducted in the United States of America. For more information about AGC's secondary processing to produce its CSPG, please refer to the independent report, *"Alabama Graphite's Coated Spherical Purified Graphite for the Lithium-ion Battery Industry,"* prepared by Gareth P. Hatch, PhD, CEng, FIMMM, FIET, and Founding Principal of Technology Metals Research, LLC.

After publication of AGC's announcement of January 19, 2016 ("Independent Test Results: [Alabama Graphite Corp.](#) Succeeds in Producing High-Performance Coated Spherical Graphite (CSPG) for Lithium-ion Batteries"), the unnamed battery manufacturer approached AGC to investigate the potential of a reliable supply of conveniently located, sourced-in and made-in-U.S.A. CSPG.

This battery company is known for its demonstrated expertise and ingenuity in Li-ion battery development for the DoD and several other industries. Having been awarded multiple DoD contracts in recent years, this company is also a United States Department of Energy ("DoE") battery supplier, in addition to specializing in critical stationary energy storage, renewable energy, and transportation battery markets, as well as other Li-ion battery applications and industries. The aforementioned company will remain unnamed for reasons of commercial confidentiality.

Donald K. D. Baxter, P.Eng., AGC's President, Chief Executive Officer, and Executive Director commented, *"Our Company is honored and excited to have been presented with this opportunity to supply samples of our all-American CSPG to a respected battery manufacturer we sincerely hope will become AGC's long-term business partner."*

The DoD, DoE and other U.S. Federal government departments and agencies encourage their contractors and suppliers to source their input materials from within the USA, whenever and wherever possible. Additionally, provisions of the Buy American Act (the "Act") and other legislation may afford AGC a potential competitive advantage when engaging with these entities. With certain exceptions, such legislation requires that all goods for public use - articles, materials, or supplies - must be produced in the USA, and manufactured items must be manufactured in the USA from U.S. materials. Many states and municipalities include similar geographic production requirements in their procurement legislation. Note, in certain government procurements, the Act's requirement purchase may be waived if the domestic product is 50% or more expensive than an identical foreign-sourced product, if the product is not available domestically in sufficient quantity or quality, or if doing so is in the public interest. However, it is important to be aware that any legislation may be subject to change over time. For example, potential changes to the North American Free Trade Agreement (NAFTA) or the Act itself, could level the playing field for non-U.S. government/DoD procurements, and the Company and its business plan and prospects are always at risk of adverse changes in any applicable legislation. Given the foregoing, if, following the completion of a Feasibility Study (which has not yet been commenced), AGC is able to advance the Coosa Graphite Project into production, the resulting graphite would be sourced from within the contiguous United States and the Company may have a potential competitive advantage over other producers of value-added graphite materials sourced from other countries, regardless of whether said materials were processed and/or manufactured in the U.S.

Note: AGC completed its Preliminary Economic Assessment ("PEA") for the Coosa Graphite Project on November 27, 2015. A PEA is not a Feasibility Study. The PEA is preliminary in nature, that it includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA based on these mineral resources will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

"AGC is particularly eager to address the needs of the United States government and defense sectors' battery solutions providers," Mr. Baxter added. "Pending a positive Feasibility Study, we are confident that AGC will be a viable domestic upstream supply option for these entities and look forward to working with this well-established end user to provide a high-quality product, ideally suited for their multi-faceted DoD needs."

AGC will continue to update shareholders and the market in a timely fashion of further material developments with respect to this and other potential American-based CSPG end users, as we are able to disclose. Please note, certain potential end users preclude the Company from announcing any aspect of its relationship and activities, ranging from the execution of a non-disclosure agreement ("NDA") to the shipment(s) of sample material.

On behalf of the Board of Directors of

[Alabama Graphite Corp.](#)

President, Chief Executive Officer and Executive Director

Qualified Person

Donald K. D. Baxter, P.Eng., President, Chief Executive Officer and Executive Director of AGC, is a Qualified Person as defined by National Instrument 43-101 ("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.

Forward-Looking Statements

This press release contains forward-looking information under applicable Canadian securities laws ("forward-looking statements"), which may include, without limitation, statements with respect to any potential relationships between the Company and any end users and/or the DoD. The forward-looking statements 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.

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