

The Energy Graphite(TM) Company

Sourced and Manufactured in the United States of America

TORONTO, ONTARIO--(Marketwired - May 1, 2017) - Alabama Graphite Corp. ("AGC" or the "Company") (TSX VENTURE:CSPG)(OTCQB:CSPGF)(FRANKFURT:1AG) is pleased to announce that it has commenced production of more than 120 kilograms ("kg") of the Company's 100% sourced-and-manufactured-in-the-contiguous-USA Coated Spherical Purified Graphite ("CSPG") and, concurrently, more than 35 kg of its Purified Micronized Graphite ("PMG") for potential end-user evaluation and qualification.

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.

As indicated in the Company's November 30, 2015 announcement, '[Alabama Graphite Corp. Announces Positive Preliminary Economic Assessment for Coosa Graphite Project in Coosa County, Alabama, USA; Files Completed PEA NI 43-101 Technical Report](#)', AGC's business model is predicated on the eventual downstream production of CSPG. CSPG is a high-value secondary-processed, ultra-high-purity, natural battery-ready graphite engineered for use in secondary/rechargeable lithium-ion ("Li-ion") battery anodes. There is significantly more CSPG than there is lithium in a Li-ion battery. For further information about the Company's CSPG production and testing, please refer to the Company's January 19, 2016 announcement entitled, '[Independent Test Results: Alabama Graphite Corp. Succeeds in Producing High-Performance Coated Spherical Graphite \(CSPG\) for Lithium-ion Batteries](#)'.

PMG is a primary (non-rechargeable) lithium-battery and alkaline-battery conductivity enhancement. PMG also serves as the Company's feedstock to produce its ultra-high-purity, natural high-conductivity enhanced graphite battery-ready product, Delaminated Expanded Graphite ("DEXDG") for Li-ion battery cathode applications. For further information about the Company's DEXDG production and testing, please refer to the Company's March 28, 2017 announcement entitled, '[Independent Test Results: Alabama Graphite Corp. Succeeds in Producing High-Performance Conductivity-Enhancement Graphite for Lithium-ion Batteries](#)'.

When AGC produces its core CSPG product, the resultant byproduct is ultra-high-purity PMG. The DEXDG product is ultimately produced from the PMG byproduct material; however, both products are high-value battery-conductivity-enhancement materials. Management believes that AGC holds the potential for 100% of its run-of-mine ("ROM") graphite material to be effectively converted into high-performance, value-added battery-ready materials.

AGC's current battery-ready graphite production campaign consists of the following stockpiles:

- More than 60 kg of a large-specification CSPG, specifically a D50 of 22 microns (" μ m");
- More than 60 kg of a medium-specification CSPG, specifically a D50 of 16 μ m; and
- More than 35 kg of PMG, specifically sub-10 μ m material. PMG is a byproduct of CSPG manufacturing. AGC achieves an approximate 75% yield in CSPG manufacture, meaning the remaining 25% of material is PMG (3:1 ratio CSPG to PMG).

To view Figure 1 please click on the following link: <http://media3.marketwire.com/docs/CSPG0501.pdf>

The Company will independently characterize, analyze and electrochemically test the CSPG stockpiles in representative samples to validate the high electrochemical performance of both size specifications of CSPG and, as importantly, consistency in electrochemical performance. Additionally, AGC will demonstrate its ability to produce CSPG in multi-kilogram quantities. Further, the Company will utilize these stockpiles to conduct long-term cycling efficiency testing - up to 400 cycles.

With the only graphite project in the contiguous United States, all of AGC's graphite is sourced from the Company's flagship, 100%-owned Coosa Graphite Project - located in Coosa County, Alabama, USA. All requisite downstream secondary processing to manufacture AGC's CSPG is being conducted in the United States of America. Although AGC's proprietary, environmentally sustainable process to purify and produce battery-ready graphite is source agnostic, the Company's process flowsheet has been optimized for Coosa Graphite Project material.

President and Chief Executive Officer Donald Baxter commented, "We are pleased to have commenced with the production of our CSPG and PMG stockpiles. AGC has successfully progressed from gram-scale, to kilogram-scale to now multi-kilogram production of our CSPG. Having such a significant amount of fully characterized and tested battery material on hand will demonstrate our in-house technical capabilities and the efficiency of our technologies. Additionally, the stockpile will provide AGC with enough material to satisfy the numerous requests for larger samples of battery-ready graphite from existing and new potential end users in

the United States and around the world, with a focus on the U.S. Department of Defense ("DoD") and U.S. Department of Energy ("DOE") battery manufacturers and laboratories. We look forward to updating the market regarding electrochemical testing and long-term cycling data, demonstrating the high performance of AGC's American-sourced-and-manufactured battery-ready graphite products."

AGC's COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

AGC's graphite is purified via the Company's propriety, low-temperature thermal purification process. AGC's environmentally responsible and sustainable graphite purification process does not utilize caustic chemicals or harsh acids that are commonly regarded as dangerous and environmentally harmful (e.g. *hydrofluoric acid - as is commonly used in Chinese graphite production - hydrochloric acid, sulfuric acid, nitric acids, or alkali roasting, caustic-soda roasting, etc.*), nor does the process require copious amounts of clean water or costly, energy-intensive high-temperature thermal upgrading. Please refer to the Company's February 17, 2017 announcement, '[Alabama Graphite Corp. Achieves 99.99997% Graphite Purity via Proprietary, Environmentally Responsible and Sustainable Purification Process; Exceeds Nuclear Graphite Purity Requirements.](#)'

For more information about AGC's specialty, secondary processing to produce its CSPG please refer to the June 2016 comprehensive independent report, '[Alabama Graphite's Coated Spherical Purified Graphite for the Lithium-ion Battery Industry](#),' written, researched and prepared by Dr. Gareth P. Hatch, CEng, FIMMM, FIET, prior to his joining the AGC Board of Directors. Dr. Hatch is also President of Innovation Metals Corp., Founding Principal of Technology Metals Research, LLC, and Independent Director of the Company.

Readers are cautioned that AGC is not yet in production and there is no guarantee that the Company will advance to full-scale production. 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 battery-ready graphite products 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 United States of America.

On behalf of the Board of Directors of [Alabama Graphite Corp.](#)

Donald K. D. Baxter, P.Eng., President, Chief Executive Officer and Executive Director

QUALIFIED PERSON

Donald K. D. Baxter, P.Eng., President, Chief Executive Officer and Executive Director of [Alabama Graphite Corp.](#), is a Qualified Person as defined by National Instrument 43-101 ("N.I. 43-101") guidelines, and has reviewed and approved the content of this news release.

ABOUT ALABAMA [Graphite Corp.](#) (AGC)

[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,

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[Alabama Graphite Corp.](#) is a proud member of the National Association of Advanced Technology Batteries International ("NAATBatt International"), a U.S.-based, not-for-profit trade association commercializing advanced electrochemical energy-storage technology for emerging, high-tech applications.

For further information and updates on the Company or to sign up for [Alabama Graphite Corp.](#) News, please visit www.alabamagraphite.com or follow, like and subscribe to us on Twitter, Facebook, YouTube, 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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