FOR IMMEDIATE RELEASE

Alabama Graphite Corp.
Awards Coosa Graphite Project Feasibility Study to AGP Mining; Contracts Thompson Engineering for Environmental and Mine Permitting

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TORONTO, CANADA — (July 12, 2017) — Alabama Graphite Corp. ("AGC" or the "Company") (TSX-V:**CSPG**) (OTCQB:**CSPGF**) (FRANKFURT:**1AG**) - https://www.youtube.com/watch?v=rx9pxAjuOe0&t=27s is pleased to announce that independent engineering firm AGP Mining Consultants Inc. ("AGP") of Barrie, Ontario has been awarded the definitive contract by AGC for the Feasibility Study of the Company's flagship project, the Coosa Graphite Project, located in Coosa County, Alabama, USA. AGC is 100% owner of the Coosa Graphite Project — *the only advanced-stage graphite project in the contiguous United States of America* — and all requisite downstream secondary processing to develop and manufacture AGC's battery-graphite products is being conducted in the United States of America. Although AGC's proprietary, environmentally sustainable process to purify and manufacture battery-ready graphite is source agnostic, the Company's secondary process flowsheet has been optimized for Coosa Graphite Project material.

AGP produced the Company's Preliminary Economic Assessment ("PEA") technical report for the Coosa Graphite Project (please refer to AGC's November 30, 2015 announcement entitled, '*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*'.

Note: A PEA is preliminary in nature. A PEA 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 PEA 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.

AGC's PEA diverges from others in the flake graphite development space in that it addresses both primary and secondary processing to produce specialty, ultra-high-purity graphite products, as opposed to sole primary processing to make traditional graphite concentrate. The forthcoming Feasibility Study will combine Detailed Engineering for Phase One production rates for both primary and secondary processing, per the PEA. The initial production rate is for 5,000 tonnes per annum ("tpa") of final, secondary-processed graphite — specifically, Coated Spherical Purified Graphite ("CSPG") engineered for use in secondary/rechargeable lithium-ion ("Li-ion") batteries, and its byproduct Purified Micronized Graphite ("PMG") for use in primary and secondary Li-ion battery applications — with built-in expansion to 15,000 tpa, commencing in year seven.

Due to the low initial production rate, the primary and the secondary processing plants will be modular and built off site. The oxidized, soft-rock geology of the Coosa Graphite Project allows for excavation of graphitic feed material without drilling and blasting. No crushing and grinding infrastructure will be required, allowing for flexibility in production rates. The Feasibility Study will explore increased production rates, as the market may require and will be based on the primary-processing Pilot Plant flowsheet, per the Company's February 3, 2016 announcement entitled, '*Alabama Graphite Corp. Reports Positive Pilot Plant Test Results for Coosa Graphite Project in Coosa County, Alabama, USA*'. A modular plant construction will also potentially shorten time to production, pending the publication of a positive Feasibility Study.

In conjunction with the forthcoming Feasibility Study, AGC will concurrently commence a second Pilot Plant ("Pilot Plant 2") for secondary processing, exclusively for the production of CSPG and byproduct PMG. The flowsheet and equipment for Pilot Plant 2 are currently being finalized. Per the Company's May 1, 2017 announcement, entitled, *'Alabama Graphite Corp. Commences Production of greater than 150 Kilogram Stockpile of Sourced-and-Manufactured-in-USA Specialty Battery-Ready Graphite for End User Qualification'*, AGC is also currently producing and testing its more than 150-kilogram stockpile of sourced-and-manufactured-in-USA battery-ready graphite products. This stockpile development work will provide the basis for Pilot Plant 2.

The Company also announces that it has completed a positive preliminary environmental survey on the Coosa Graphite Project to commence the necessary environmental and mine permitting processes for the mining and primary-processing operations at the Coosa project site, which consists of 41,964 acres (16,982 hectares or more than 65 square miles), located on private land. The permitting process for the Coosa Graphite Project involves state-level permitting only via the Alabama Department of Environmental Management ("ADEM"). Independent engineering firm Thompson Engineering, of Mobile, Alabama is contracted as AGC's consultant leading the permitting process for the Coosa Graphite Project with ADEM.

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 graphite products would be *sourced* from within the contiguous United States and, as such, 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.

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ABOUT AGP MINING CONSULTANTS INC.

AGP Mining Consultants Inc. is an independent mining consulting firm specializing in mine engineering (underground and open pit), mineral resource estimation, metallurgical development and process engineering, geotechnical and water resources engineering, and infrastructure and project management. AGP's associates have more than 250 years of combined mining experience with significant experience in the production of N.I. 43-101 compliant preliminary economic assessments, and prefeasibility and feasibility studies.

ABOUT THOMPSON ENGINEERING

Established in 1953, Thompson Engineering specializes in environmental services for a wide range of projects. The company is equipped with an in-house staff of environmental engineers, geologists, soil scientists, health and safety specialists, moisture intrusion experts, CADD/GIS technicians, and construction experts. Thompson Engineering works with agencies at all levels of government, industrial and commercial interests, to provide time effective, quality environmental services across the southwestern United States.

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.*

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.

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.

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 SERVICE PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

CONTACT INFORMATION

Alabama Graphite Corp.
Ann-Marie M. Pamplin
Vice President, Investor Relations
+1 (416) 309-8641
apamplin@alabamagraphite.com

Swiss Resource Capital AG – Jochen Staiger

info@resource-capital.ch - www.resource-capital.ch

Website | LinkedIn | Facebook | Twitter | YouTube