FOR IMMEDIATE RELEASE

Alabama Graphite Receives ADEM Permit for Final Infill Trenching Program for the Coosa Graphite Project Feasibility Study

The Energy Graphite™ Company
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TORONTO, CANADA — (July 24, 2017) — Alabama Graphite Corp. ("AGC" or the "Company") (TSX-V:**CSPG**) (OTCQB:**CSPGF**) (FRANKFURT:**1AG**) is pleased to announce receipt of the necessary National Pollutant Discharge Elimination System ("NPDES") Construction Storm Water General Permit from the Alabama Department of Environmental Management ("ADEM") for the potential discharges associated with the exploration activities necessary to complete the pending Feasibility Study for AGC's 100%-owned Coosa Graphite Project, located in Coosa County, Alabama, USA — the only natural flake graphite project in the contiguous United States — to be commenced by independent engineering firms AGP Mining Consultants Inc. ("AGP") and Thompson Engineering, in conjunction with the Company's geology team. Please refer AGC's July 12, 2017 announcement entitled, *'Alabama Graphite Corp. Awards Coosa Graphite Project Feasibility Study to AGP Mining; Contracts Thompson Engineering for Environmental and Mine Permitting'*.

The Clean Water Act ("CWA") and Federal regulations require construction site operators to obtain NPDES permit coverage for regulated land disturbances and associated discharges of storm water runoff to State waters. AGP has determined that if a small, infill trenching program within the Indicated Resource area can confirm the presence of graphite mineralization, in particular higher-grade bands within the larger deposit, as predicted by the current resource model, a significant portion of the Indicated Resource can be upgraded to a Measured Reserve, as is required for Feasibility (please refer to AGC's November 18, 2015 announcement entitled,

'Alabama Graphite Corp. Files Mineral Resource Update Technical Report for Coosa Graphite Project in Coosa County, Alabama, USA').

Per the Company's Preliminary Economic Assessment ("PEA"), *"Based on the favorable exploration results to date, the Coosa Project is of sufficient merit to warrant further exploration and mineral resource definition. In order to better define the high-grade trends identified in the resource area, a surface trenching program consisting of 15,000 ft. of trenching and sampling is recommended to help define and demonstrate grade continuity between existing drill holes and trenches in the oxide and transitional zones of the defined graphite resource. The data collected will be utilized to update the geologic model and further increase confidence in the graphite resource. The program is estimated to cost USD$230,000"*. 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 technical report 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.

Given AGC's mining plan to focus on the abundant near-surface, soft, oxidized graphitic schist at the Coosa Graphite Project, trenching is not only a cost-effective solution (as opposed to conventional diamond drilling), but is the preferred exploration method to allow better opportunities for sampling, mapping, structural measurements, and geologic interpretation.

FIGURE 1: AGC's previous trenching work at the Coosa Graphite Project

Figures 1a and 1b represent trenching work previously completed by AGC at the Coosa Graphite Project. The images demonstrate what the forthcoming trenching program will entail.

Figure 1a — a sample collection in a trench on the Company's Coosa property. Note, the Company's trenching program for the upcoming Feasibility Study will be dug with an excavator.

Figure 1b — a trench after backfilling and restoration by AGC at the Coosa Graphite Project.

AGC President and Chief Executive Donald Baxter commented, *"We are very pleased to be in receipt of the necessary ADEM permit in order for AGC to advance with the forthcoming Feasibility Study for the Coosa Graphite Project. Further, based on recent estimates, we believe*

AGC will be able to complete the already cost-effective required infill trenching program for significantly less than the original PEA budget estimate."

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

Jesse R. Edmondson, P.G., a registered Professional Geologist in the State of Alabama and Project Geologist 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 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.

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