

NEWS RELEASE

ALABAMA GRAPHITE CORP ANNOUNCES MAIDEN RESOURCE ESTIMATE FOR THE COOSA GRAPHITE PROJECT

Vancouver, BC – July 16, 2013 Alabama Graphite Corporation (“Alabama Graphite” or the “Company”) (CNSX:ALP) (Frankfurt: 1AG.F WKN A1J35M) is pleased to announce its maiden resource estimate for the Coosa Graphite Project, Coosa County, Alabama, based on the results of a 69 hole, 20,414 foot drill program. The indicated resource is estimated at 38.2 million tons grading 2.60% graphitic carbon (“Cg”), based on a 2.0% Cg cutoff. In addition there is an inferred resource estimated at 27.0 million tons grading 2.87% Cg.

The Coosa Project is located in east-central Alabama. Alabama was the principle source of domestic graphite production until the end of World War II when the mines were shut down due to low graphite prices. The deposit is located in a band of graphitic schist near the southern end of the Appalachian Belt. Alabama Graphite leased the mineral rights from the owner in 2012. Since that time the Company has been engaged in exploring the property and has conducted two rounds of drilling. It has also identified new exploration targets elsewhere in the land package under lease.

Graphitic Carbon Indicated Mineral Resources

Tons	Graphitic Carbon (Cg%)	Tons Cg
38,159,000	2.60	992,134

Graphitic Carbon Inferred Mineral Resources

Tons	Graphitic Carbon (Cg%)	Tons Cg
26,992,000	2.87	774,670

There were a total of 1,862 ten-foot-length composites used in the mineralization estimate. Results were calculated using Vulcan software and stored in a Vulcan block model. MMC used inverse distance squared (ID2) as the estimation technique. Mineralization was constrained by a geologic model. Resources were constrained to a Whittle Pit. Resources reported at 2% Cutoff Grade.

The reported resource was constrained by an optimized Whittle pit in order to identify that portion of the mineral deposit that may meet the reasonable prospects of economic extraction.

The constrained pit resource was determined using a selling cost US\$1,450 per ton graphite. Mining, milling and processing costs were estimated from publicly available graphite project costs. A cost of US\$2.00 per ton was used for mining and a cost of US\$10.00 per ton was used for processing. Graphite recoveries were assumed to be 90%.

The Coosa pit measures 3,200 feet in a north-east direction and 1,900 feet in a south-east direction and has a maximum depth of 475 feet.

Daniel Spine, CEO, commented, “In the one year since Alabama Graphite acquired the Coosa Graphite Project we have taken it through surface exploration, drilling and established an initial resource estimate. Based on the model put together by Metal Mining Consultants, we are confident that we can build upon this resource through additional cost-effective exploration.”

The detailed resource estimate and its underlying methodology will be released within 45 days in a NI 43-101 Technical Report that is also being prepared by Metal Mining Consultants.

Scott E. Wilson, CPG, a Qualified Person as defined by National Instrument 43-101 and independent consultant to the Company, has reviewed the contents of this press release.

Mineral resources were estimated in conformance with the CIM Mineral Resource definitions referred to in NI 43-101 Standards of Disclosure for Mineral Projects. Scott Wilson, CPG, and Stewart D. Redwood, FIMMM, of Metal Mining Consultants and Qualified Persons under NI 43-101 who are independent of the Company, have prepared and authorized the release of the mineral resource estimates presented herein. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resources.

Quality Assurance and Quality Control

Diamond drill core and sonic drill core samples were prepared by ALS Minerals at their sample preparation facility in Elko, Nevada, and were analyzed at their laboratory in Vancouver, Canada. ALS Minerals is ISO 9000:2008 registered and ISO 17025 accredited in North America. Total carbon was analyzed by Leco combustion and infrared spectroscopy. Inorganic carbon was analyzed by carbon dioxide coulometry. Graphite carbon was calculated by subtracting inorganic carbon from total carbon. Blank and duplicate samples were routinely inserted for quality assurance and quality control, and replicate analyses were carried out at an independent certified laboratory.

About Alabama Graphite

Alabama Graphite Corp., through its wholly-owned subsidiary, Alabama Graphite Company Inc., is a graphite exploration and development company whose flagship project "The Coosa Graphite Project" in Coosa County, Alabama, encompasses of over 40,000 acres located in an area with significant historical production of crystalline flake graphite. For further details please go to www.alabamagraphite.co.

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Forward-looking information

This release contains “forward-looking information” within the meaning of applicable Canadian securities legislation, including predictions, projections and forecasts. Forward-looking information includes, but are not limited to, statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as the calculation of a new mineral resource estimate.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “planning”, “planned”, “expects” or “looking forward”, “does not expect”, “continues”, “scheduled”, “estimates”, “forecasts”, “intends”, “potential”, “anticipates”, “does not anticipate” or “belief” or describes a “goal” or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based on a number of material factors and assumptions, including, the result of drilling and exploration activities, 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 information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and silver; 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. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.