Alabama Graphite announces Closing of acquisition of Hearst Graphite Project

August 23, 2013 – Vancouver, BC: Further to its news release dated August 16, 2013, Alabama Graphite Corp. (CNSX:ALP) (Frankfurt:1AG.F WKN A1J35M) ("**Alabama Graphite**") is pleased to announce that it has closed the Asset Purchase and Sale and Royalty Agreement (the "**Agreement**") entered into with Benton Resources Inc. (TSXV:BEX) ("**Benton Resources**") wherein Alabama Graphite acquired a 100% interest in the Hearst Graphite Project (the "**Hearst Project**") staked by Benton Resources near Zenyatta Ventures Ltd.'s ("**Zenyatta**") Albany hydrothermal graphite discovery in Northern Ontario. The 16 claim units comprising the Hearst Project are located just east of Zenyatta's deposit in Albany and measure 1.6KM by 1.6KM in area.

Alabama Graphite paid $8,000 in cash and issued 2,000,000 of its common shares (the "**Shares**") at a deemed price of $0.20 per Share to Benton Resources in exchange for the Hearst Project. All of the Shares issued pursuant to the transaction are subject to a four-month hold period expiring on December 23, 2013. As well and pursuant to the terms of the Agreement, 500,000 of the Shares issued to Benton Resources are further subject to a 10-month trading restriction expiring on June 22, 2014, another 500,000 Shares are subject to a 16-month trading restriction expiring on December 22, 2014 and 500,000 Shares are additionally subject to a 22-month trading restriction expiring on June 22, 2015.

Benton Resources will also hold a 2% Net Smelter Royalty ("**NSR**") interest from all ore production at the Hearst Project, subject to the right of Alabama Graphite under the Agreement to "buy back" 50% of Benton Resources' NSR interest for $1,000,000.

About Alabama Graphite:

Alabama Graphite Corp., is a graphite exploration and development company whose primary project is the Coosa Graphite Project in Coosa County, Alabama. The Coosa Graphite project is 100% owned by Alabama Graphite and on private land. Last month, following less than one calendar year of exploration, Alabama Graphite disclosed an initial mineral resource estimate for the Coosa Graphite Project prepared by Metals Mining Consultants.

For further details go to www.alabamagraphite.co

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THE CANADIAN NATIONAL STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

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.