



Alabama Graphite Announces Closing of \$2.875 Million Brokered Private Placement

Vancouver, BC / July 2, 2015 - Alabama Graphite Corp. (the “Company”) (TSX-V:ALP) (OTCQX:ABGPF) (FRANKFURT: 1AG WKN: A1J35M) (ISIN# CA0102931080) is pleased to announce the closing of its private placement (the “**Private Placement**”) as previously announced on June 17, 2015 led by First Republic Capital Corporation (“**First Republic**”) to raise gross proceeds of \$2,875,000, which amount includes First Republic’s option to have sold such number of additional units (“**Additional Units**”) as is equal to 15% of the units (the “**Units**”) sold under the Private Placement.

The Company issued 14,375,000 Units at a price of \$0.20 per Unit to raise gross proceeds of \$2,875,000. Each Unit is comprised of: (i) one common share of the Company (a “**Share**”); and (ii) one-half of one common share purchase warrant of the Company, with each whole common share purchase warrant (a “**Warrant**”) entitling the holder to purchase one additional common share of the Company at an exercise price of \$0.35 until June 30, 2018 (the “**Warrant Expiry Date**”). In the event that the closing price of the Company’s common shares on the TSX Venture Exchange (or such other exchange on which the Company’s common shares may become traded) is \$0.75 or greater per common share during any 20 consecutive trading day period at any time subsequent to four months and one day after the closing date, the Warrants will expire, at the sole discretion of the Company, at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants.

Related parties to Company subscribed for 455,000 Units in the Private Placement which in total is less than 25% of the Company’s market capitalization. The Company is therefore relying upon exemptions from the valuation and minority shareholder approval requirements contained in sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

The net proceeds from the sale of the Units will be used towards a drilling program on the Company’s Coosa & Bama Graphite Projects in Alabama, USA, the preparation of an updated mineral resource estimate for the Coosa Project, metallurgical testing both at the Coosa and Bama Projects, a preliminary economic assessment on the Coosa project, value added graphite (including battery/storage applications) & graphene initiatives and for working capital.

In connection with the Private Placement, the Company paid cash compensation of (i) a corporate finance fee equal to 2.5% of the gross proceeds raised from the sale of all Units, including Additional Units, to First Republic, and (ii) a sales commission equal to 5% of the gross proceeds raised from the sale of all Units, including Additional Units, under the Private Placement to First Republic and members of the selling group, and as additional compensation for acting as agent, the Company issued Agent’s warrants (the “**Compensation Warrants**”) to First Republic to purchase Units (the “**Compensation Units**”) comprised of (i) corporate finance Compensation Units equal to 2.5% of the total number of Units sold under the Private Placement (including Additional Units) at a price of \$0.20 per Compensation Unit for a term of 24 months following the closing (the “**Compensation Warrant Expiry Date**”), and (ii) selling Compensation Units equal to 5% of the total number of Units sold under the Private Placement (including Additional Units) at a price of \$0.20 per Compensation Unit until the Compensation Warrant Expiry Date. Each Compensation Unit consists of one common share of the Company (a “**Compensation Unit Share**”) and one-half of one share purchase warrant, each whole warrant (a “**Compensation Unit Warrant**”) entitling the holder thereof to purchase one common share of the Company at a price of \$0.35 per share (an “**Compensation Unit Warrant Share**”) for a period of 36 months from issuance of the Compensation Unit Warrants.

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All securities issued pursuant to the Private Placement will be subject to a four-month hold period expiring October 31, 2015.

A material change report will be filed less than 21 days prior to the closing of the Private Placement. The shorter period was necessary in order to permit the Company to close the Private Placement in a timeframe consistent with usual market practice for transactions of this nature.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered pursuant to the Private Placement have not been, and will not be, registered under the United States Securities Act of 1933, as amended or any U.S. state securities laws and may not be offered or sold in the United States or to United States persons absent registration or any applicable exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws.

About Alabama Graphite

Alabama Graphite Corp.'s mission is to become one of the greenest graphite producers in the world. The Company, through its wholly-owned subsidiary, Alabama Graphite Company Inc., is conducting exploration and development both at its flagship Coosa Graphite Project in Coosa County, Alabama, USA and the recently acquired Bama Mine Project in Chilton County, Alabama, USA. Alabama Graphite holds a 100% interest in the mining leases in respect of these two advanced-stage projects, both of which are on private land. The two projects encompass over 43,000 acres and are located in an area with significant historical production of crystalline flake graphite. The Company has the largest NI 43-101 indicated flake graphite resource in the United States based on drilling 0.18 square miles (0.3% of the total acreage). The Alabama deposits are unique in that a significant portion of the graphite-bearing material is oxidized and has been broken down into an extremely soft rock. Both projects have in place critical infrastructure, are within close proximity to transportation routes and enjoy a hospitable climate allowing for year-round production and delivery. For further information and updates on the Company, please visit www.alabamagraphite.com.

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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; labour 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 labour 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.

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