

# Alabama Graphite has the ideal conditions to become the USA's main graphite producer

The USA (and the EU for that matter) has placed graphite on  the list of strategically important materials. However, as is well known, 70-80 % of mineral graphite comes from China. Graphite will become increasingly used in batteries for electric vehicles and smartphones alike as well as in steel manufacturing. Demand has increased significantly in recent years. The West – especially as relations have cooled lately – is anxious to break its reliance on Chinese suppliers. Americans have recently been re-exploring the benefits of self reliance and resource independence. Insofar as this translates to the world of graphite, Alabama Graphite Corp ('Alabama Graphite', TSXV: ALP | OTCQB: ABGPF) could become the first graphite mine to start operating in the United States with the potential to address growing Red, White and Blue demand.

Alabama Graphite's potential is supported by the fact that the only area in the United States where graphite has been mined profitably is, in fact, the so-called Alabama graphite belt. Indeed, many graphite mines were in operation for decades in Alabama before demand slowed and production stopped. Perhaps this explains why 'Alabama Graphite' has chosen to name itself after what was until not long ago the main graphite producing area in the USA. The State of Alabama can offer the right infrastructure – given its graphite past – to ease commissioning while the year round warm weather eases operations. The Project covers an area of  $\approx 40,000$  acres and is located in a an area well known for its crystalline flake graphite.

Alabama Graphite's Coosa Graphite Project (Coosa) is close to all necessary power sources, it is only two kilometers away from the main highway, has unlimited water supply, it is three hours away from the nearest shipping port and the lowest winter temperatures that can be expected are in the 1 – 13 degrees Celsius range. In addition, the State of Alabama is currently making great efforts to attract investment because it is focused on creating jobs and reduce the unemployment burden on State coffers. The State has offered tax breaks and support for all industrial projects. In other words, Alabama Graphite can expect an easy approval and permit process. In other words, the Alabama State regulators have conspired with its geology and mining past to provide essentially ideal mining conditions for Alabama Graphite.

The Coosa project itself would be able to support US domestic demand as well as export capacity because of both the size and quality of the resource. The abundant historical graphite mining record in Alabama shows that the average content of the Alabama graphite belt is 4-6 % with peaks of 8% and 12%, comparable to the best projects in Quebec or Madagascar (or China for that matter) which are also in the 7-12% range. The drill targets identified in summer 2013 suggested that some could be as thick as 515 meters, a rather high and unique value in the sector.

Most of the flakes identified so far were of the medium variety (Large Flakes: +50 mesh, Medium flakes: +80 mesh, Small Flakes: +100 mesh).

On May 14, Alabama Graphite announced the appointment of Daniel P. Goffaux to its board. Mr. Goffaux is an experienced mining industry manager who served as President of Stratmin Graphite Inc. (now Timcal Canada Inc.) primarily responsible for the development of the Stratmin Graphite mine, the first (and so far the only ) graphite producer in North America. Mr. Goffaux was entrusted with the preparation of the Feasibility Report, oversaw the construction of the mill and ran the

operation, which received an ISO 2003 certification within 3 years.

On May 13, Alabama Graphite reported that it has delineated five new target areas within 2.5 kilometers of all previously defined resources zones at the Coosa project. Major Drilling at the five target areas should start in the next few weeks in order to gain the first samples to determine content and the size distribution of the graphite. If anything, Alabama Graphite has the enviable 'problem' of having "too many quality target areas" according to Company officials; nevertheless, the Company intends to step up exploration in order to ensure that it become "the first low-cost producer and just- in-time supplier of high purity flake graphite in the United States of America".