

Graphite One Signs US\$ 4.8 million Loan Agreement, to Fund Completion of Pre-Feasibility Study

September 9, 2019 – Vancouver, British Columbia – Graphite One Inc. (GPH: TSX-V; GPHOF: OTCQB) (“Graphite One” or the “Company”) announces that it has entered into a US\$4.8 million unsecured loan agreement (the “Loan”) with Taiga Mining Company, Inc. (“Taiga”), a controlling shareholder of the Company. Funded immediately will be US\$2.5 million. The Loan is repayable in two years, with the Company having the option to extend the Loan for an additional 12 months with 30 days notice.

“In our current challenging capital markets, a commitment of US\$4.8 million - which is expected to fund us through completion of our Graphite Creek Pre-Feasibility Study - is a strong vote of confidence,” said Anthony Huston, CEO of Graphite One. “It reflects the critical need for new domestic U.S. graphite supply in all its forms, as recognized by the fact the U.S. Government includes graphite on its Critical Minerals List.” According to the US Geological Survey, the United States is presently 100% import-dependent for graphite, with China the world’s leading producer. According to the World Bank, global graphite demand – driven by applications in the Electric Vehicle battery sector and energy storage systems – is projected to rise by 383% between now and 2050¹.

The proceeds of the Loan are expected to provide the Company with the necessary funding to complete work on its Pre-Feasibility Study (PFS) for the Graphite Creek Project, and for general working capital purposes. The expected completion of the PFS is second quarter 2020.

“The PFS is a major milestone for Graphite One,” said Stan Foo, COO of Graphite One (Alaska) Inc. “With funding in place, we can maintain our momentum through the final quarter of 2019 and stay on track for our 2020 target.”

Interest on the Loan will accrue on the outstanding balance of the Loan at the rate of twelve percent (12%) per annum, compounded annually, and is payable upon the earlier of full repayment and maturity. As long as the Loan remains outstanding and until 90 days following the date when the Loan is repaid in full, Taiga will have the right, but not the obligation, to participate in any financing arrangement of Graphite One in order to maintain at least a 25% interest in the Company.

Taiga, a private Alaskan company, is currently a “control person” of Graphite One in accordance with Policy 4.1 of the TSX Venture Exchange Corporate Finance Manual. Taiga and its associates and affiliates hold 13,831,420 Common Shares, or 34.06% of the outstanding common shares of the Company.

About Graphite One Inc.

GRAPHITE ONE INC. (GPH: TSX-V; GPHOF: OTCQB) continues to develop its Graphite One Project (the “Project”), whereby the Company could potentially become an American producer of high grade Coated Spherical Graphite (“CSG”) that is integrated with a domestic graphite resource. The Project is proposed as a vertically integrated enterprise to mine, process and manufacture high grade CSG primarily for the lithium-ion electric vehicle battery market. As set forth in the Company’s Preliminary Economic

¹ <https://www.worldbank.org/en/news/infographic/2019/02/26/climate-smart-mining>



Assessment, potential graphite mineralization mined from the Company's Graphite Creek Property, is expected to be processed into concentrate at a graphite processing plant. The proposed processing plant would be located on the Graphite Creek Property situated on the Seward Peninsula about 60 kilometers north of Nome, Alaska. CSG and other value-added graphite products, would likely be manufactured from the concentrate at the Company's proposed graphite product manufacturing facility, the location of which is the subject of further study and analysis. The Company intends to make a production decision on the Project once a feasibility study is completed.

ON BEHALF OF THE BOARD OF DIRECTORS

"Anthony Huston" (signed)

For more information on Graphite One Inc. please visit the Company's website, www.GraphiteOneInc.com or contact:

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This release includes certain statements that may be deemed to be forward-looking statements. All statements in this release, other than statements of historical facts, are forward-looking statements.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "proposes", "expects", or "is expected", "scheduled", "estimates", "projects", "intends", "assumes", "believes", "indicates" or variations of such words and phrases that state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information in this release includes, but is not limited to, statements regarding the stage and progress of development of the Graphite Creek Project including the ability to actually produce spherical graphite, ultimate further and final results of additional test-work, estimated capital and sustaining costs and the availability of equipment, labour and resources required, the anticipated applications of graphite in high-tech, clean tech, energy storage and national security applications and all other anticipated applications, international demand and ability to transport and enter into such markets, are all forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include: (i) volatile stock price, (ii) the results of the product development test work may not be indicative of the advancement of the project as anticipated, or at all, (iii) market prices, (iv) exploitation and exploration successes, (v) continuity of mineralization, (vi) uncertainties related to the



ability to obtain necessary permits, licenses and title and delays due to third party opposition, (vii) changes in government policies regarding mining and natural resource exploration and exploitation, (viii) competition faced in securing experienced personnel, access to adequate infrastructure to support mining, processing, development and exploration activities and continued availability of capital and financing, and (ix) general economic, market or business conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this press release, and the Company undertakes no obligation to update publicly or revise any forward-looking information, except as required by applicable securities laws. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at www.sedar.com.