Graphite One Marks Major Milestones in 2016 Development of its Graphite Creek Project and Provides Update on Status of PEA

December 7, 2016 – Vancouver, British Columbia – Graphite One Resources Inc. (GPH: TSX-V; OTCQX: GPHOF) (“Graphite One”, “GPH” or the “Company”) is pleased to provide this summary of the Company’s 2016 milestones in the development of its Graphite Creek Project near Nome, Alaska.

- Raised over $2.8 million in new financing
- 2016 Product Development Program’s results confirmed high performance, repeatability and stability of the Company’s spherical graphite – all indicators of high-quality graphite for lithium-ion (“Li-ion”) batteries
- Work continues to produce exploratory grade samples of coated, spherical graphite (“C-SPG”) for testing by potential end-users
- Nearing completion of its inaugural Preliminary Economic Assessment (“PEA”) for release in January 2017

2016 Milestones

During 2016, Graphite One completed four rounds of financing. Initially targeted for funds totaling a cumulative $2.4 million, two of the four financings were oversubscribed, raising a total of more than $2.8 million.

With proceeds from its financings, GPH conducted a comprehensive Product Development Program (the “Program”) under the management of TRU Group with the following results:

- The test work produced purified graphite exceeding the threshold purity requirement of 99.95% Cg and averaged 99.98% Cg.
- The Program produced premium-grade spherical graphite (“SPG”) from the purified graphite.
- The best spheronization result – High Yield SPG - achieved almost 75% conversion of GPH STAX graphite to SPG in the size range suited for electric vehicle applications compared to typical industry yields of 30 to 40%.
  - Manufacture of the High Yield SPG product followed a simpler processing protocol and required less energy input than conventional processing compared to SPG from Chinese natural flake graphite in that there was no prior size
reduction (milling) of the GPH purified graphite (purified graphite extracted from select surface samples from the Company’s Graphite Creek Property).

- The entire size distribution of the GPH purified graphite was the feed to the spheronizing mill.
- The GPH feed was processed in half the residence time and at two thirds of the energy input in the spheronizing mill to achieve product size and yield.

- Working with its uncoated SPG, the Program achieved first discharge capacity approaching natural graphite’s Theoretical Maximum Capacity of 372 Ah/kg in three tests and equaling it in one.

- Working with coated spherical graphite coin cells, the Program achieved reversible discharge capacity as high as 370.1 Ah/kg – or 0.5% below the Theoretical Maximum Capacity.

“2016 marked a major step forward in our development of our Graphite Creek Project,” said Anthony Huston, CEO of Graphite One. “Our Program indicated the unique characteristics of our STAX natural flake graphite, which more than met our expectations for performance on the key metrics for spherical graphite.” STAX graphite is the acronym used to describe Spheroidal, Thin, Aggregate and eXpanded naturally-occurring morphologies present in the graphite sourced from the Graphite Creek deposit. “Our goal for Graphite One is to become a reliable producer of high-quality graphite for the rapidly evolving energy and high-tech sectors,” Huston continued.
The Company continues to produce samples of its SPG for assessment by potential end-users.

The Company is also nearing completion of its preliminary test work on the mineral processing circuit for producing high grade graphite concentrate from the Company’s Graphite Creek graphite mineralization. The Graphite Creek Property is expected to provide mineralized feed to the Company’s Mineral Processing Plant which is to extract graphite concentrate.

**PEA Update**

Graphite One reports that it is now anticipated that the Preliminary Economic Assessment (the “PEA”) for the Graphite Creek Project is now targeted for completion by the end of January 2017. Work continues toward finalizing the PEA and most components of the PEA are complete, with some delays experienced due to the time required to complete its review and approve the document.

While flake graphite is a key material in a range of applications in high-tech, clean tech, energy storage and national security applications, there is presently no U.S. production of flake graphite.

**About Graphite One**

GRAPHITE ONE RESOURCES INC. (GPH: TSX-V; GPHOF: OTCQX) is moving to develop the Graphite Creek Project, USA’s largest known large flake graphite deposit situated on the Seward Peninsula of Alaska about 60 kilometers north of Nome. The deposit has 17.95 million metric tons of indicated resources grading 6.3 percent graphitic carbon and 154.36 metric tons of inferred resources at 5.7 percent graphitic carbon identified. The Graphite Creek Project is in the evaluation phase. Work to date has identified a large, high...
grade and at-surface resource with simple geology and good mineralization continuity, and key features of the graphite. For more information please see www.graphiteoneresources.com.

Mr. I. John Roumeliotis, Ing., a Qualified Person under NI 43-101, is responsible for and has reviewed and approved the technical content of this press release.

ON BEHALF OF THE BOARD OF DIRECTORS

"Anthony Huston” (signed)

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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. Forward-looking information in this release includes, but is not limited to, statements regarding the actual ability to produce spherical graphite, ultimate further and final results of additional test-work, the anticipated progress of both the TRU Group and Graphite One during 2017, the timing and successful completion of the PEA, the anticipated applications of graphite in high-tech, clean tech, energy storage and national security applications, the results of the TRU Group’s study being accurate regarding the characteristics of the Graphite Creek mineralization, exploration drilling, exploitation activities and events or developments that the Company expects, the sustainability and ultimate environmental effects of spherical graphite, 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 the results of the product development test work may not be indicative of the advancement of the project as anticipated, or at all, market prices, exploitation and exploration successes, continuity of mineralization, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, and continued availability of capital and financing, and general economic, market or business conditions. Readers are cautioned not to place
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