

Graphite One Resources Inc. Extends Option to Purchase Net Smelter Royalty

January 26, 2017 – Vancouver, British Columbia – Graphite One Resources Inc. (GPH: TSX-V, GPHOF: OTCQX) (“Graphite One” or the “Company”) announces it has extended the deadline by 4 years to buyout the 2% net smelter royalty applicable to certain of its mining claims in the State of Alaska purchased in January 2012.

By agreement dated January 24, 2012, the Company’s wholly owned subsidiary, Graphite One (Alaska) Inc. (“AlaskaCo”), purchased from the holder of such claims (the “Seller”) 28 mining claims in the State of Alaska subject to certain cash payments at closing and when producing, a 2% net smelter return royalty. AlaskaCo had the right to purchase the royalty within 3 years from the agreement date (on or before January 24, 2015) for \$1 million (the “Royalty Purchase Option”). AlaskaCo then entered into an extension agreement effective January 24, 2015 (the “Original Extension”) whereby the Royalty Purchase Option could have been exercised at any time on or before the earlier to occur of (1) January 24, 2017, or (2) the date that is six (6) months after the release by the Company or AlaskaCo of a “feasibility study” in exchange for the issuance by the Company of 769,231 common shares of the Company at an issue price of Cdn\$0.13 per share.

The parties have now agreed to further extend the term of the Royalty Purchase Option and have entered into an extension agreement effective January 24, 2017 (the “New Extension”) whereby the Royalty Purchase Option may be exercised at any time on or before January 24, 2021 in exchange for the issuance to the Seller of: (a) 1,666,667 common shares of the Company (the “Shares”) at an issue price of Cdn\$0.09 per share; and (b) 1,153,846 common share purchase warrants of the Company (the “Warrants”), whereby each Warrant may be exercisable at any time on or before January 24, 2021 at a price of Cdn\$0.13 per share. The Shares and Warrants are subject to the acceptance of the New Extension by the TSX Venture Exchange Inc. and will be subject to a restricted period that expires four months and a day following the date of issuance.

About Graphite One Resources Inc.

GRAPHITE ONE RESOURCES INC. (TSX VENTURE:GPH)(OTCQX:GPHOF) continues to develop its Graphite One Project (the “Project”), whereby the Company could potentially become the dominant 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. Graphite mineralization mined from the Company’s Graphite Creek Property would be processed into concentrate at a graphite processing plant. The 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 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 Graphite Creek Property contains America’s largest known large flake graphite deposit. Resources identified to date include 10.32 million tonnes of indicated resources grading 7.2 percent graphitic carbon (“Cg”) and 71.24 million tonnes of inferred resources at 7.0 percent Cg identified, using a 6% Cg mining



cut-off grade. Work on the Graphite Creek Property is progressing through the evaluation phase with environmental baseline sampling programs and engineering studies in progress. Mineral processing testing, mine, infrastructure and processing plant design work, and a resource development drilling program are expected to be undertaken in the months ahead.

ON BEHALF OF THE BOARD OF DIRECTORS

"Anthony Huston" (signed)

For more information on Graphite One Resources Inc. please visit the Company's website, www.GraphiteOneResources.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. Forward-looking information in this release includes, but is not limited to: the anticipated timing and receipt of TSXV approval, the actual ability to produce spherical graphite, the accuracy of the resource estimates and potential mineralization, the interpretation and actual results of current exploration activities, and events or developments that the Company expects. 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 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 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.