

GRAPHITE ONE DRILLS 177.0M OF 3.0% GRAPHITE INCLUDING 52M OF 6.02% AND 30.59M OF 7.07% GRAPHITE IN STEP-OUT HOLE 2.2KM WEST

October 2, 2012 - Calgary, Alberta – Graphite One Resources Inc. (GPH: TSX-V, GPHOF: OTCQX) ("Graphite One" or the "Company") is pleased to announce drill results on a 2.2 km step out diamond drill hole for its Graphite Creek Property.

Results include:

Hole 12GCH008 (Hole 15 of 18): 177.0 metres of 3.0% including 52.0 metres of 6.02%, and 30.59 metres of 7.07% Cg

Analytical results from diamond drill hole 12GCH008 have been received. In total, 15 of the 18 drill hole results have now been released. Now, a 4.4 km section of the known 16 km long EM Conductor has been tested (see drill hole map attached; see Table below).

"The step-out hole shows the high-grade mineralization is continuous for more than 4.4 km as confirmed by drilling," stated Anthony Huston, President and Director for Graphite One Resources.

Drill Hole	Azimuth	Dip	Depth		Intersection (m)	Graphite (% Cg)*
			From (m)	To (m)		
12GCH008 (hole 15 of 18)	160	-50	6.0	183.0	177.0	3.0%
.....including			6.0	58.00	52.0	6.02%
.....including			19.41	50.0	30.59	7.07%

*Cg – Graphitic Carbon; C – Total Carbon (see cross-section 12GCH008 attached)

The drill hole was drilled at -50 degree dip to test true thickness of mineralization. The graphite bearing rocks dip at approximately 60 degrees and are exposed at surface along the dip slope which would be ideal with respect to an open pit mining operation and low strip ratio.

During 2011, Graphite One tested 3 samples from surface at the Graphite Creek area (where the 2012 drilling was focused) for flake size analysis. The samples analyzed included: (1) high grade rock grabs (assayed 56.9%C); (2) mixed grade rock grabs (disseminated and high grade material mixed (assayed 14.5%C)); and (3) rock grabs with disseminated graphite (assayed 8.2% C). From these samples 84.3%; 93.6% and 76.5% of graphite recovered are large flakes respectively (greater than 80 mesh). Specifically, the majority of the recovered graphite in the samples is considered to be large flake. Furthermore, the majority of the large flake graphite is greater than 40 mesh (64.8%, 65.8% and 73.3%, respectively) and is considered Jumbo Flake. The analytical work was conducted at Hazen Laboratories, Co, USA. Also during 2011, Graphite One tested one sample for recoveries. Subsequently, using a combination of Gravity Separation and Flootation, recoveries of the 40-80 mesh graphite only, resulted in graphite recoveries from 86.8 to 92% Cg. The analytical work was conducted at Hazen Laboratories, Co, USA. Currently, Graphite One has 5 composite drill core samples at Hazen Laboratories and Actlabs. The samples are to be analyzed first for flake size. Secondly, they will be utilized to develop preliminary bench scale tests for creating a marketable graphite concentration.

Graphite One has its own core logging and sample preparation laboratory/ facility in Nome, Alaska. The sample preparation laboratory was installed, and is being managed by Actlabs, Ancaster, Ontario. This will ensure Graphite One maintains the highest level of QA/QC and ensures timely receipt of analytical results. Graphite One expects timely receipt of ongoing results. Dean Besserer, P.Geol., V.P. Exploration, manages Graphite One's exploration and development programs and is the Qualified Person as defined by National Instrument 43-101. He supervised the preparation of the technical information in this release.

About Graphite Creek

The Graphite Creek Property comprises 129 claims totaling 6,799 hectares on the Seward Peninsula of Alaska, 65 kilometres north of Nome. Mineralization at the Graphite Creek property is characterized by coarse crystalline (large-flake) graphite (greater than 80 mesh) within graphite-bearing schist(s). Graphite mineralization is exposed at surface. The large-flake graphite occurs as disseminations and high-grade segregations and lenses in distinctive garnet-bearing quartz biotite schist(s) and biotite schist(s). The host schist(s) is continuous over 16 kilometres of strike length, based on mapping and geophysics.

Specific to the 2012 drill results received to date as well as mapping, prospecting and geophysical surveying have further confirmed graphite mineralization at surface. The mineralization where drilling occurred during 2012, covers an area of 5.5 square kilometres (which only represents 14% of the total strike length). The width and depth of mineralization that has been confirmed by drilling are in excess of 250 metres. Therefore, there could be a potential deposit size of 120-175 million tonnes at average grades between 5.1 and 7.3% graphite (Cg). This would only consider 14% of the total strike length and not include results from the 2.2km step out drill hole (12GCH008). Graphite One has now reported 15 of its 18 drill holes, and will continue to report assay results as received.

Graphite One uses Actlabs (Ancaster, Ontario), an ISO/IEC 17025 accredited analytical laboratory. The technique used for determining graphitic carbon is by LECO whereby the pulp is either digested with hydrochloric and perchloric acids, or subjected to a multistage furnace treatment to remove all forms of carbon with the exception of graphitic carbon.

Graphite One Resources is committed to a regimented QA/QC program including utilizing standards, blanks and duplicates as per normal industry standards.

About Graphite One Resources Inc.

GRAPHITE ONE RESOURCES INC. (GPH: TSX-V, GPHOF: OTCQX) is a mineral exploration company with extensive experience in the state of Alaska and a business strategy to identify, acquire, and explore high potential projects ready for rapid advancement. The Graphite Creek Property on the Seward Peninsula of Alaska fits with the Graphite One business strategy offering significant potential for the discovery and development of a large-flake, graphite deposit exposed at surface. Graphite One has an option to earn a 100% interest in the Graphite Creek Property and plans to rapidly advance the Property to a NI 43-101 compliant resource. The potential quantity and grade of the Graphite Creek deposit is conceptual in nature and there has been insufficient assay data received at this time to properly define a mineral resource in accordance with NI 43-101 requirements. Although the Company sees no reason why a compliant mineral resource could not be defined, there is no guarantee that further exploration will result in the Graphite Creek deposit being defined as a mineral resource. The potential quantity and grade of the deposit is being determined through the progression of exploration and the assays received. Rock grab samples are selective by nature and are unlikely to represent



average grades of the deposit. To date, the company's exploration activities include airborne geophysical surveys, mapping, drilling, prospecting and rock grab and channel sampling. The deposit target range is primarily based on drilling results obtained to date.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed)

"Anthony Huston"

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