

OTTAWA, ONTARIO--(Marketwired - Aug 8, 2016) - Focus Graphite (TSX VENTURE:FMS) (OTCQX:FCSMF) (FRANKFURT:FKC) (or "the Company") is pleased to announce it has successfully purified *fine* flake graphite - sourced at its wholly owned Lac Knife, Quebec deposit - from 95% to 99.99% purity using a proprietary energy efficient purification process.

Attaining a 99.99% purity level from fine graphite flake is significant. Focus now has the technology to economically purify low value fine flake graphite or, "fines" to a high value material needed for the production of lithium-ion batteries.

To view Figure 1. Before purification, please visit the following link: http://media3.marketwire.com/docs/fms_fig1.jpg

To view Figure 2. After purification, please visit the following link: http://media3.marketwire.com/docs/fms_fig2.jpg

Goldman Sachs Equity Research projects an emerging global low carbon economy that will produce 25 million hybrid and pure electric vehicles by 2025.

Other next generation renewable energy markets include portable electronic devices, utility scale energy storage, urban transportation, rail, marine, aviation and clean energy applications for the military.

Focus Graphite is at an advanced stage in testing high purity level graphite for use in battery and other high-tech applications.

Within the last 26 months, Focus has published the results of four successive independent test results highlighting the superior performance of Lac Knife graphite in short-term and long-term lithium-ion battery cycling. These tests are mandatory before customers can use any new materials in battery chemistry.

"We now have the technological capabilities to provide customers with a full range of battery-grade products to meet their specifications - from fine to large flake. We believe our novel process will further secure our competitive advantage in global markets," said Focus Graphite Chief Executive Officer Gary Economo.

"Given our relationships with end users and knowledge of our industry, we know of no other junior graphite developer today with a deposit capable of competitively converting their fine flake component to battery grade production," Mr. Economo said.

The traditional purification process involves heating the graphite to in excess of 2000C and essentially distilling off the impurities. There is a high-energy cost and some loss of graphite.

The Focus process reacts the graphite at a much lower temperature (less than 1200C) with gaseous chlorine compounds. The impurities are converted to chlorides which distill off at much lower temperatures, lower energy and no loss of graphite. Chemicals used are recycled and are relatively inexpensive.

The Company has invested in a long-term research program aimed at discovering the potential for transforming a fine flake graphite source to a high value material suitable for use in lithium-ion batteries.

The purpose of the Company's R&D fine flake production process program is to meet battery manufacturers needs for a novel, high-grade, high purity graphite that increases performance while reducing their input costs.

Focus Graphite's high-grade deposit's fine flake distribution is unique in that impurities are located mainly on the surface of the material, resulting in processing cost efficiencies.

Approximately one-third of the Lac Knife deposit is comprised of small and fine flakes suitable for processing to lithium-ion battery grade specifications.

"As a company currently engaged in battery testing with more than 20 potential end-users and seven universities and government laboratories, we see our latest processing breakthrough as a catalyst to encourage that industry to create new, lightweight battery designs enabled by our fine flake anode materials," said Mr. Gary Economo.

The fines that are produced during the flotation process can now be substituted for the large and medium flakes being purified for use in battery manufacturing, leaving the large and medium flakes for sale into higher value applications.

Focus Graphite has acquired an intimate understanding of both the future needs of the battery manufacturing sector and trends in that sector as a long-standing Board Member of Chicago-based NAATBatt International (the National Alliance for Advanced

Transportation Batteries).

As such, holding the ability to purify Lac Knife's fine flakes expands the company's potential to sell substantially more of the graphite extracted from Lac Knife into high-value, high-tech applications instead of approximately 30 percent being sold for lower value industrial applications.

Focus Graphite will continue to explore its Lac Tetepisca, Quebec property for graphite material to fulfill the Company's "Polymer Offtake" agreement with Grafoid Inc. in addition to other potential customers.

Focus has established a recent history of technological successes by designing processes leading to superior performing coated spherical graphite for use in battery anodes.

Laboratory scale testing during the first half of 2016 involved approximately 30 trial runs using Lac Knife fine flake (-200 mesh to +400 mesh) graphite at the Grafoid Global Technology Centre in Kingston, Ontario.

The proprietary, low temperature process, developed by a Focus Graphite technical team, is believed to be more efficient than very high temperature thermal purification and is suitable for the removal of specific types of impurities found in the Lac Knife graphite deposit.

Focus' low temperature process versus conventional very high temperature purification processes obviates the use of large amounts of energy - one of the largest single cost components of graphite purification.

Customer Engagement

The path from graphite product development to the battery manufacturers' testing labs is a lengthy, multi-step process.

Staged R&D testing is a prerequisite to the sale, or offtake, of any manufactured graphite for use in lithium-ion, alkaline and lead-acid batteries in the automobile, consumer, medical equipment, tools, hand-held industrial devices and aviation manufacturing industries or with military equipment suppliers.

As a technology graphite developer, Focus is deeply engaged in R&D and development of graphite concentrate and value added products for a low carbon economy.

With some individual variations, the graphite sales process begins with the execution by the customer of a Non-Disclosure Agreement (NDA). This is followed by supplying the customer with small quantities of samples for initial testing in coin cells, followed by life cycle testing in both larger and full sized batteries, followed by the signing of offtake agreements. This process can take anywhere up to 24 months.

Qualified Person

Dr. Joseph Doninger, Focus Graphite's Director of Technology and Manufacturing is the Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects - has reviewed and approved the technical content of this news release. Dr. Joseph Doninger is an internationally recognized graphite processing expert and himself, the inventor of a number of patents and an author of over 22 technical papers and presentations related to graphite processing and the use of graphite in energy storage systems. Dr. Doninger is also a co-editor on the NATO Science Series book titled "New Carbon Based Materials for Electrochemical Energy Storage Systems". Dr. Doninger is also an Honorary Professor at the Department of Chemistry from the Kiev National University of Design Technology.

About Focus Graphite

[Focus Graphite Inc.](#) is an advanced exploration and mining company with an objective of producing graphite concentrate at its Lac Knife deposit located south west of Fermont, Québec. In a second stage, to meet Quebec stakeholder interests of transformation within the province and to add shareholder value, Focus is evaluating the feasibility of producing value added graphite products including battery-grade spherical graphite.

The Lac Knife project hosts a Measured and Indicated Mineral Resource Estimate* of 9.58 million tonnes grading 14.77% graphitic carbon (Cg) (432,000 tonnes Measured @ 23.66% Cg and 9,144,000 tonnes Indicated @ 14.35% Cg) as natural flake graphite with an additional Inferred Mineral Resource Estimate* of 3.1 million tonnes grading 13.25% Cg. Focus' goal is to assume an industry leadership position by becoming a low-cost producer of technology-grade graphite concentrate.

The Feasibility Study filed with SEDAR on August 8, 2014 for the Lac Knife Project indicates the project is economically viable

and has the potential to become a low cost graphite concentrate producer based on 7.86 million tonnes of Proven and Probable Mineral Reserves** grading 15.13% Cg included in the Mineral Resource (429,000 tonnes Proven @ 23.61% Cg and 7,428,000 tonnes Probable @ 14.64% Cg).

On May 27, 2014 the Company announced the potential for high value added sales in the Li-ion battery sector following battery coin cell tests performed on Spherical Graphite ("SPG") produced from the Lac Knife graphite concentrate. Testing measured the performance metrics and confirmed Focus' capability to tailor lithium ion battery-*anode*-grade graphite and value added products to meet the most stringent customer specifications.

On February 26, 2015, the Company announced the results from independent laboratory testing that indicated Coated Spherical Graphite ("CSPG") produced from Lac Knife concentrate outperformed synthetic graphite *anodes* for use in lithium-ion batteries.

On November 25, 2015, the Company announced results from independent laboratory testing that reported "zero loss" in long-term battery *anode* cycle testing of high purity CSPG produced from Lac Knife concentrate.

On March 31, 2016, the Company announced the introduction of a high conductivity graphite *cathode* material produced from expanded Lac Knife graphite and exhibiting twice the conductivity of cathodes versus standard grades of synthetic and natural flake graphite used in commercially available lithium-ion batteries.

Focus Graphite is a technology-oriented graphite mining development company with a vision for building long-term, sustainable shareholder value. Focus also holds a significant equity position in graphene applications developer Grafoid Inc.

** Mineral resources are not mineral reserves and do not have demonstrated economic viability*

*** The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Mineral Reserve. The reference point for the Mineral Reserve Estimate is the mill feed.*

For more information about Focus Graphite, please visit www.focusgraphite.com.

Forward Looking Statement

This News Release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits; (v) the risk associated with establishing title to mineral properties and assets; (vi) the risks associated with entering into joint ventures; (vii) fluctuations in commodity prices; (viii) the risks associated with uninsurable risks arising during the course of exploration, development and production; (ix) competition faced by the Company in securing experienced personnel and financing; (x) access to adequate infrastructure to support mining, processing, development and exploration activities; (xi) the risks associated with changes in the mining regulatory regime governing the Company; (xii) the risks associated with the various environmental regulations the Company is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) risks related to potential conflicts of interest; (xv) the reliance on key personnel; (xvi) liquidity risks; and (xvii) the risk of potential dilution through the issue of common shares. Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this News Release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the accuracy of this release.

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