

OTTAWA, ONTARIO--(Marketwired - Aug 24, 2016) - [Focus Graphite Inc.](#) (TSX VENTURE:FMS)(OTCQX:FCSMF)(FRANKFURT:FKC) ("Focus" or the "Company") is pleased to announce the results of a trenching program conducted in 2014 at its wholly owned Lac Tétépisca Nord graphite project ("the Project") located southwest of the Manicouagan reservoir in the Côte-Nord administrative region of north-eastern Québec. Although the trenching and channel sampling work was carried out in 2014, the samples were only prepared and assayed in the spring of 2016, as the completion of the Lac Knife mineral project feasibility study was the Company's main priority at that time.

Highlights

- A single 86.8 m long trench was excavated at the Project in September 2014. Trench No. TN-TR-01 was positioned perpendicular to the trend of a 2.4 km long by 80 m wide magnetic (MAG) - electromagnetic (EM) anomaly identified by ground geophysical surveys conducted in August 2014;
- Best channel section: Trench No. TN-TR-01 intersected 67.2 m¹ grading 6.75% graphitic carbon (Cg²) (from 19.6 to 86.8 m), including:
 - 24.5 m grading 11.72% Cg (from 19.6 to 44.1 m)
- The initial channel sampling results indicate the potential for a second new significant graphitic corridor in the southwest Manicouagan reservoir area, in addition to the Company's "Manicouagan-Ouest Graphitic Corridor" at its nearby Lac Tétépisca project (refer to Focus news release dated August 17, 2016 available at www.focusgraphite.com and at www.sedar.com)

A maiden core drilling campaign was designed to test the subsurface graphite mineralization in areas with the strongest MAG-EM response down to a vertical depth of approximately 100 m. The drilling campaign started on the Project on August 8th, a total of 6 HQ-size drill holes were drilled and the campaign ended on August 15th, for a total of 786 m. This drilling will also provide mineralized samples for initial metallurgical testing.

"We are highly encouraged by the initial channel sampling results at Lac Tétépisca Nord, our second significant graphite discovery in the southwest Manicouagan reservoir area in addition to the "Manicouagan-Ouest Graphitic Corridor" at our Lac Tétépisca project. This represents Focus's third potential source of natural flake graphite for future customer needs." said Focus Graphite President and CEO Gary Economo.

"We believe the first round of drilling currently underway at Lac Tétépisca Nord will confirm the subsurface extensions of the graphitic zone at depth and along strike of the 2.4 km long ground MAG-EM anomaly and support a much larger opportunity than what is visible from the mineralized surface channel samples."

¹ Reported channel sample sections are not true thickness but expressed as channel sample lengths. However, the trench crosscut the mineralized zone strike at a high angle.

² All carbon analyses were performed by ALS Minerals ("ALS") in North Vancouver, an ISO/IEC 17025:2005 certified facility, using LECO high frequency combustion method with infrared measurement (code C-IR18) and are reported as graphitic carbon (Cg).

The Lac Tétépisca North property is comprised of 51 contiguous map-designated claims ("CDCs") covering a surface area of 2,747 ha located to the southwest the Manicouagan reservoir, 8 km to the North of the Company's Lac Tétépisca project and 234 km north-northwest of the industrial city of Baie-Comeau. A map showing the location of both properties is available at www.focusgraphite.com under Lac Tétépisca project.

2014 Trenching Program

The 2014 channel sampling program at the Project was designed by Focus. Focus and IOS Services Géoscientifiques ("IOS") of Saguenay, Québec, supervised the exploration work. A total of 49 channel samples from trench TN-TR-01 were collected in the field using a rock saw. The samples were then shipped to IOS' laboratory facilities in Saguenay where they were safely stored until they could be processed and assayed. In the spring of 2016, the 49 channel samples were retrieved from secured storage, described and prepared by IOS and then sent to ALS Geochemistry in Val-d'Or, Québec, an ISO 17025 accredited facility, in preparation for assaying. IOS introduced four standards, two duplicates and four blank samples into the batch of channel samples as part of the QA/QC program. From Val-d'Or, the samples were expedited to ALS Geochemistry's North Vancouver BC facility where they were assayed for graphitic carbon (C-IR18) and total sulphur analysis (S-IR08) using LECO induction, and for multi-element (48-element) geochemical analysis using ICP methods (ME-MS61).

About the Lac Tétépisca Nord Graphite Project

Focus Graphite's 100%-owned Lac Tétépisca Nord project was map-staked by the Company during the fall of 2012 following the publication by the Québec government of the results of a new airborne geophysical survey of the southwest Manicouagan Reservoir area that identified meta-sedimentary formations with potential to host iron-rich and graphitic horizons similar to those encountered at the Company's Lac Tétépisca and Lac Guinécourt projects. Subsequent prospecting and geological reconnaissance work conducted by Focus' exploration team at Lac Tétépisca Nord in 2013 identified a series of disseminated to

semi-massive natural flake graphite occurrences in outcrop within the limits of the interpreted meta-sedimentary formations.

In May 2014, the Company awarded a contract to Abitibi Géophysique of Val-d'Or, Québec to conduct a ground combined magnetic (MAG) - time domain electromagnetic (TDEM) geophysical survey with 100 m line spacing over the previously defined graphitic horizon using an IMAGEM[®] MAG-TDEM system. The survey, that was completed in August 2014, identified a total of 288 EM anomalies and several magnetic zones with potential to host graphitic mineralization. The ground geophysical survey results were used to design a trenching and channel sampling program to test the main geophysical target, a 2.4 km long by 80 m wide MAG-TDEM anomaly. A single 86.8 m long trench was excavated perpendicular to the axis of the main geophysical anomaly in September 2014. A total of 49 channel samples were collected and stored in preparation for future assaying in 2016.

About Focus Graphite

[Focus Graphite Inc.](#) is an advanced exploration and development 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 (www.sedar.com) 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.

On August 8, 2016, the Company announced it has successfully purified fine flake graphite - sourced at its wholly owned Lac Knife, Québec 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.

On August 17, 2016, the Company reported that the maiden core drilling program conducted at its Lac Tétépisca graphite project in 2014 intersected significant subsurface graphitic mineralisation along the trend of 1.5 km long MAG-EM anomaly including in hole LT-14-04 which intersected 103.9 m (true thickness) grading 10.25% Cg.

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

Qualified Person

Mr. Marc-André Bernier, M.Sc, P.Geo (Québec and Ontario), a Director of the Company and a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the technical content of this news release.

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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