

OTTAWA, ONTARIO--(Marketwire - Nov 21, 2016) - [Focus Graphite Inc.](#) (TSX VENTURE:FMS)(OTCQX:FCSMF)(FRANKFURT:FKC) ("Focus" or the "Company") and partner SOQUEM Inc. ("SOQUEM") are pleased to announce the results from the 2014-2015 hydrometallurgical tests conducted on the Kwyjibo Poly-metallic Rare Earth Elements-Copper-Iron-Phosphate Project ("Kwyjibo" or the "Project"), located in the Côte-Nord administrative district of northeastern Québec.

#### Highlights:

- Relatively simple metallurgical flowsheet, a distinctive feature of the Kwyjibo project among peer rare earth element projects.
- Approximately 90% extraction rate from rare earth concentrate for all rare earth elements for the Magnetite Mineralization Type ("MM1").
- The plan is to perform an initial Mineral Resource Estimate, followed by a Preliminary Economic Assessment study in 2017-18.

Focus Graphite President and CEO Gary Economo said: "While the economics of the Kwyjibo Project are still to be confirmed, the initial test results support Focus' long-term investment decision to continue developing Kwyjibo's potential."

"More," he said, "we anticipate our hydrometallurgical test results may have a positive impact on our future development positioning within the framework of Quebec's Plan Nord northern development initiatives."

"These results combined with the high grade, thickness, and continuity of the mineralization within the Josette Horizon illustrates that the Kwyjibo Project has the potential to generate positive economics and indeed, interest from within this global industry. We look forward to initiating the Preliminary Economic Assessment," Mr. Economo said.

#### Kwyjibo Rare Earth Project Metallurgical Testwork

The latest hydrometallurgical leaching test program was conducted at Hazen Research in Colorado, USA. The program studied the use of three types of acid ( $H_2SO_4$ ,  $HCl$  and  $HNO_3$ ) on various types of mineralization and subjected them to a beneficiation flowsheet that was previously developed at COREM, of Quebec City. Hazen research confirmed an average recovery of 90% of rare earth elements also obtained at COREM and Hazen also measured these high extraction rates under non-optimized leaching conditions.

The Hazen program was conducted on two (2) composite samples that are representative of the two types of mineralization that are characteristic of the northeast portion of the Josette Horizon. The first composite sample of MM1 was taken from HQ-diameter drillcore that were split in half from two drill holes (10885-13-61A and 10885-13-69A). The representative MM1 sample is a hydrothermal massive iron formation, with variable amounts of veins containing REE-bearing phosphates and silicates as well as calc-silicate minerals. The second composite sample of Breccia Type ("BR1") mineralization is composed of HQ-diameter drillcore splits from three diamond drill holes (10885-13-73A, 10885-13-74A and 10885-13-69A). The representative BR1 sample is characterized by a stockwork of magnetite veins, REE-bearing phosphates and silicates, and calc-silicate minerals in a granitic host rock. Mineralogical studies performed at COREM in 2013 show that REE occur in phosphate (apatite and britholite) and silicate (allanite and kinosite) phases.

Testwork results to date show that silicate concentrates produced from the composite samples leach well with nitric acid and hydrochloric acid. There is therefore no reason to separate the phosphates and silicates that both contain rare earth elements. Extraction using sulfuric acid gave poor results and therefore it was eliminated as a choice for acid leaching.

*"From the work performed, it was determined that the differences between the REE extractions for  $HCl$  and  $HNO_3$  were minor."* <sup>(1)</sup>  
Hazen Research, HYDROMETALLURGICAL WORK FOR KWYJIBO PROJECT, PREPARATION AND LEACHING OF RARE EARTH CONCENTRATES, project 12182, August 2016

With the current price of these two types of acids, the use of  $HCl$  appears to be a more economical choice when considering operating costs. The following graphs show that the use of a 6 Molar ("6M") concentration of  $HCl$  at  $90^\circ C$ , achieved approximately 90% extraction from rare earth concentrate for all rare earth elements for the MM1 Combined and the BR1 mineralization types.

To view 'Figure 1. REE Extractions for the MM1 Combined mineralization type in a 6M  $HCl$  leach at  $90^\circ C$ ', please visit the following link: <http://media3.marketwire.com/docs/focufig11121.pdf>

To view 'Figure 2. REE Extractions as a Function of Temperature for BR1 Combined with 6M  $HCl$ ', please visit the following link: <http://media3.marketwire.com/docs/focufig21121.pdf>

When considering all the mineral beneficiation processing steps previously developed by COREM (grinding, magnetic separation, flotation), followed by the leaching extraction developed by Hazen the non-optimized global recoveries of rare earth elements are described in the following table:

#### REE Global Non-Optimized Recoveries: Beneficiation + HCl Extractions

| Composite Sample | Global Recovery (%) |      |      |      |      |      |      |      |        |      |        |
|------------------|---------------------|------|------|------|------|------|------|------|--------|------|--------|
|                  | Critical REE        |      |      |      |      |      | LREE | HREE | HREE+Y | TREE | TREE+Y |
|                  | Y                   | Pr   | Nd   | Eu   | Tb   | Dy   |      |      |        |      |        |
| MM1              | 73.9                | 79.4 | 78.6 | 77.4 | 76.7 | 75.7 | 78.8 | 76.4 | 74.9   | 78.5 | 77.6   |
| BR1              | 81.1                | 89.8 | 88.0 | 85.6 | 85.6 | 86.5 | 88.8 | 87.0 | 87.1   | 88.5 | 88.3   |

*LREE (light rare earth elements): La+Ce+Pr+Nd+Sm*

*HREE (heavy rare earth elements): Eu+Gd+Tb+Dy+Ho+Er+Tm+Yb+Lu*

*TREE (total rare earth elements): La+Ce+Pr+Nd+Sm+Eu+Gd+Tb+Dy+Ho+Er+Tm+Yb+Lu*

The mineral processing flowsheet for the Kwyjibo project will therefore consist uniquely of minimal comminution steps followed by magnetic separation to remove the magnetite. Such a minimal beneficiation flowsheet will simplify operations.

#### On-going Laboratory Test Program:

The current hydrometallurgical test program ongoing at Hazen research is focused on the leaching of non-magnetic products and the concentration/precipitation of dissolved rare earth elements. Hazen will continue to optimize the process flowsheet by working on the liberation size and grinding, as well as magnetic separation and leaching.

#### Future Program:

Very encouraging results were obtained with both ore types, but since the in situ value of the MM1 mineralization type is higher, future efforts will aim to optimize the recovery of REE's from Kwjybo's MM1 mineralization type. That portion of the mineralization is located closer to surface and would potentially be less costly to mine. This combined with the fact that it is much easier to process than the BR1 mineralization type, the consensus was to proceed towards this objective.

After completion of the current testwork program, SOQUEM and Focus Graphite intend to complete an initial Mineral Resource Estimate to be followed by a Preliminary Economic Assessment in 2017-18.

#### Terms of the Agreement

On August 3, 2010, the Company announced the signing of an option agreement with SOQUEM Inc., to acquire a 50% interest in the Kwyjibo project. Under the terms of the agreement, Focus could acquire a 50% interest in the Kwyjibo project, by spending up to \$3 million in exploration work on the project over a period of 5 years of which \$1 million had to be spent during the first 2 years. SOQUEM is the operator for the exploration work carried out on the project to date and Focus has the option to become the operator, by paying \$50,000 in cash or issuing a block of common shares valued at \$50,000. As of the year ended September 30, 2016 Focus had spent \$6.6M on the Kwyjibo project and has accordingly earned its 50% interest.

#### Quality Control and Assurance

Alain Dorval, P.Eng. of Norda Stelo Inc., is an independent Qualified Person as defined by National Instrument 43-101, for the purposes of the mineral processing and laboratory supervision as well as Eric Larochelle, P. Eng. of SMH Process Innovation, who is also an independent Qualified Person as defined by National Instrument 43-101 and both of them have reviewed the technical content of this news release.

#### 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.

#### About SOQUEM and Investissement Québec

SOQUEM, a subsidiary of Investissement Québec, is a leading player in mineral exploration in Québec. Its mission is to explore, discover and develop mining properties in Québec. SOQUEM has participated in more than 350 exploration projects and

contributed to major discoveries of gold, diamonds, lithium and other minerals.

## About the Kwyjibo Project

The Kwyjibo polymetallic project, totalling 118 claims and covering 6,278 ha, is located 125 km northeast of the port city of Sept-Îles, in the Côte-Nord administrative district of Québec. The project is also located 25 km east of the Québec North Shore and Labrador railway line and is accessible by air from Sept-Îles.

Kwyjibo is located in the Grenville Geological Province of north-eastern Québec, and hosts Meso-proterozoic poly-metallic (iron (Fe), copper (Cu), rare-earth elements (REE), gold (Au)) mineralization which is considered to be one of the best iron oxide copper-gold (IOCG) exploration targets in Québec. The mineralization has already been traced over a distance of at least 4 km.

## 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](http://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](http://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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