FOCUS GRAPHITE IS A MINING DEVELOPMENT COMPANY, advancing toward production of its 100%-owned Lac Knife, Québec Graphite Project — one of the highest-grade graphite deposits in the world.

With an economically robust Feasibility Study completed, a historic offtake agreement signed, and its Environmental and Social Impact Assessment (ESIA) filed, Focus Graphite has established industry benchmarks for graphite purity, spherical graphite (SPG) test results, capital and operational costs, rates of return, financing payback, and ultimately, shareholder value.

According to the United States, European Union and China, natural flake graphite is a strategic mineral, “critical” to their future economic growth. Focus Graphite is uniquely positioned to address North American security of supply and future demand for ultra-high-purity graphite required for Li-ion battery manufacturers and electric vehicle manufacturers. The Company aims to become one of the lowest-cost, environmentally sustainable producers of high-performing technology graphite in the world.

FOCUS GRAPHITE IS THE MOST ADVANCED BATTERY-GRADE GRAPHITE PROJECT IN NORTH AMERICA

**INVESTOR INFORMATION**

<table>
<thead>
<tr>
<th></th>
<th>$CAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of January 3, 2017</td>
<td></td>
</tr>
<tr>
<td>Recent Share Price</td>
<td>$0.09</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>$14.8 million</td>
</tr>
<tr>
<td>90-Day Volume (Average)</td>
<td>358,087</td>
</tr>
<tr>
<td>52-Week Range</td>
<td>$0.06-$0.30</td>
</tr>
<tr>
<td>Shares (Issued &amp; Outstanding)</td>
<td>174,557,434</td>
</tr>
<tr>
<td>Options</td>
<td>7,460,000</td>
</tr>
<tr>
<td>Warrants</td>
<td>34,467,304</td>
</tr>
<tr>
<td>Total Shares (Fully Diluted)</td>
<td>216,484,738</td>
</tr>
</tbody>
</table>

According to the United States, European Union and China, natural flake graphite is a strategic mineral, “critical” to their future economic growth. Focus Graphite is uniquely positioned to address North American security of supply and future demand for ultra-high-purity graphite required for Li-ion battery manufacturers and electric vehicle manufacturers. The Company aims to become one of the lowest-cost, environmentally sustainable producers of high-performing technology graphite in the world.
Vertically Integrated ‘Mine-to-Technology’ Supply Strategy

Our strategy of manufacturing value-added products destined for clean technology markets is intended to further increase shareholder value. Products will include spherical graphite (SPG) used for lithium-ion batteries, expanded, micronized and purified graphite for use in powder metallurgy and composite materials. Products for technology-grade graphite applications can sell for prices ranging from USD $6,000 to $15,000 per tonne.

Important Terms:
- **SPG**: Spherical Graphite
- **Electric**: Technology-grade graphite

### Operational Results
- **ROM Concentrate Grade (Average)**: 97.8% Graphitic Carbon (Cg)
- **Mine Life**: 25 years
- **Annual Production (ROM Concentrate)**: 44,300 tonnes
- **Annual Milling Capacity**: 323,670 tonnes
- **Stripping Ratio**: 1.7:1 (1.26:1 first 5 years)

### Mineral Reserves (Open-Pit Mine)

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnage (t)</th>
<th>Cg Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>447,00 t</td>
<td>21.45%</td>
</tr>
<tr>
<td>Indicated</td>
<td>11,654,000 t</td>
<td>14.38%</td>
</tr>
<tr>
<td>Measured + Indicated</td>
<td>12,101,000 t</td>
<td>14.64%</td>
</tr>
<tr>
<td>Inferred @3.1%Cg cutoff grade</td>
<td>2,299,000 t</td>
<td>16.20%</td>
</tr>
</tbody>
</table>

### Financial Results

<table>
<thead>
<tr>
<th>Financial Results</th>
<th>$ CAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure (CAPEX)</td>
<td>$ 165.55 M*</td>
</tr>
<tr>
<td>Cost Per Tonne (Concentrate)</td>
<td>$ 441.00 per tonne</td>
</tr>
<tr>
<td>Annual Operating Expenses</td>
<td>$ 19.50 M</td>
</tr>
<tr>
<td>Annual Operating Margin</td>
<td>$ 56.40 M</td>
</tr>
<tr>
<td>Average Selling Price</td>
<td>USD $ 1,713.00 per tonne</td>
</tr>
</tbody>
</table>

**Note:** Focus Graphite’s Feasibility Study does not include potential revenues from value-added, purified, spheronized, and coated battery-grade graphite in its financial and operational calculations.

### Pre-Financial Summary

- **Internal Rate of Return (IRR)**: 30.1% (Pre-Tax), 24.1% (Post-Tax)
- **Net Present Value (NPV) (6% discount)**: $510M (Pre-Tax), $304M (Post-Tax)
- **Net Present Value (NPV) (8% discount)**: $383M (Pre-Tax), $224M (Post-Tax)
- **Net Present Value (NPV) (10% discount)**: $291M (Pre-Tax), $165M (Post-Tax)
- **Payback Period**: 3.0 years (Pre-Tax), 3.2 years (Post-Tax)

---

**Contact**

Focus Graphite Inc.
945 Princess Street
Kingston, Ontario K7L 0E9
Canada

T +1 613-241-4040
F +1 613-900-4619
E info@focusgraphite.com
W focusgraphite.com

**Vertical Integration from Mine to Technology**

**Management & Technical Team**

Gary Economou
Chief Executive Officer and President

Judith T. Mazvihiwa-MacLean, CMA, MBA, MSc, BSc
Chief Financial Officer

Jeff Hussey, P.Geo., BSc
Vice President, Project Development

Dr. Joseph E. Doninger, MSc, BSc
Director of Manufacturing and Technology

Dr. Ann Lamontagne, P.Eng.
Environmental Director

**Batteries for Electric Vehicles**

15.13% Cg
99.8% Cg
99.98% Cg
100% Electric

**Graphite Head Grade**

**Graphite Concentrate**

**SPG Graphite (for Li-ion batteries)**

**Batteries for Electric Vehicles**

---

**FEASIBILITY STUDY SUMMARY**

(Issued August 8, 2014)