ELECTROCHEMICAL PERFORMANCE OF HIGH PURITY GRAPHITE FROM THE LAC KNIFE FLAKE GRAPHITE DEPOSIT IN QUÉBEC, CANADA

32nd International Battery Seminar and Exhibition, Fort Lauderdale, Florida March 10, 2015

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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 press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.
OUTLINE OF PRESENTATION

• History of the Lac Knife Graphite Deposit

• Lac Knife Exploration and Drilling Program

• Pilot Plant Testing Program Conducted on Lac Knife Graphite

• Electrochemical Performance of High-Purity Lac Knife Graphite

• Current Status of the Development of the Lac Knife Graphite Deposit
Located in northern Québec, 27 km southwest of Fermont

Large, established iron-ore mining camp and home to billion-dollar mining projects — ArcelorMittal, RioTinto’s IOC, Cliffs Natural Resources’ Bloom Lake and Wabush Mines

Consists of 57 claims covering 3,000 ha/7,500 acres

~60 km to the Wabush Airport (YWK)

Near 2 railway lines connected to Port-Cartier and the Port of Sept-Iles
LAC KNIFE HAS A PROVEN HISTORY

- Graphite showing discovered by Québec Ministry mapping survey in 1959
- Prospected and explored for graphite by Mazarin Inc. and Le Fond d’Exploration Minière du Nouveau Québec 1982-1988
- Drilling program in 1989 by Mazarin indicated the potential for an 8.1 Mt deposit grading 16.7% Cg (NI 43-101 non-compliant)
- Pre-Feasibility and Feasibility studies were conducted for mine development
LAC KNIFE HAS A PROVEN HISTORY

- Joint Venture agreement between Mazarin and Cambior in August 1990
- In 2002 Graftech International and Ballard Power Systems (looking for graphite for fuel-cell batteries) and Mazarin plan a joint venture to start production in 2004
- In 2010, Focus Graphite acquires Lac Knife from IAMGOLD and begins assessing the resource
DRILLING RIG AND CORES
LAC KNIFE DEPOSIT
Focus Graphite 2012 PQ drill program

- 56 drill holes for 5,638 meters in PQ caliber (4 inches in diameter) for infill and testing margins of the deposit as well as gathering ore for Phase II metallurgical tests
LAC KNIFE DEPOSIT

WEST
260°

EAST
80°

LEGEND
- Overburden
- Graphite zone
- Gneiss

LK-12-123B
LK-89-90
LK-89-89
LK-89-88
LK-12-123A

650m

18.45m @ 15.84% Cg

600m

15.7m @ 5.38% Cg

LK-12-144
LK-12-146
LK-12-159
LK-12-158

64.6m @ 16.84% Cg

17.6m @ 17.7% Cg
Mineral resource model

Total 197 drill holes = 18,320 metres

Lac Knife Open Pit Mine
700 metres Long
400 metres Wide
100 metres Deep

Mineral resources which are not mineral reserves have not demonstrated economic viability
### Lac Knife Mineral Resource Estimate

**@ 3% Graphitic Carbon (Cg) Cut-off Grade**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Tonnage (tonnes)</th>
<th>Graphitic Carbon</th>
<th>In Situ Graphite (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>432,000</td>
<td>22.66 %</td>
<td>102,000</td>
</tr>
<tr>
<td>Indicated</td>
<td>9,144,000</td>
<td>14.35 %</td>
<td>1,312,000</td>
</tr>
<tr>
<td><strong>Measured and Indicated</strong></td>
<td><strong>9,576,000</strong></td>
<td><strong>14.77 %</strong></td>
<td><strong>1,414,000</strong></td>
</tr>
<tr>
<td>Inferred</td>
<td>3,102,000</td>
<td>13.25 %</td>
<td>411,000</td>
</tr>
</tbody>
</table>

### Lac Knife Open Pit Mineral Reserves

**@ 3% Graphitic Carbon (Cg) Cut-off Grade**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Tonnage (tonnes)</th>
<th>Graphitic Carbon</th>
<th>In Situ Graphite (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>429,000</td>
<td>23.61 %</td>
<td>101,000</td>
</tr>
<tr>
<td>Probable</td>
<td>7,428,000</td>
<td>14.64 %</td>
<td>1,088,000</td>
</tr>
<tr>
<td><strong>Proven and Probable</strong></td>
<td><strong>7,857,000</strong></td>
<td><strong>15.13 %</strong></td>
<td><strong>1,189,000</strong></td>
</tr>
</tbody>
</table>
OBJECTIVES OF PILOT PLANT TEST PROGRAM

• Evaluate the performance of proposed flowsheet under continuous operating conditions
• Produce concentrate for downstream testing
• Generate data to support engineering design
• Generate representative tailings samples to use in environmental studies
LAC KNIFE PILOT PLANT FLOWSHEET

- 2 Rod Mills
- 4 Polishing Mills
- 7 Sets of Flotation Cells
- 5 Cleaning Columns
- 5 Screens
- 40+ Tons of Ore Processed
CLEANING CIRCUIT
ROUGHIER FLOTATION CELL
MAGNETIC SEPARATOR AND POLISHING MILLS
48 MESH CLASSIFICATION SCREEN
HIGH-PURITY GRAPHITE CONCENTRATE

Flake Size & Purity

SGS Lakefield Pilot Plant Tests

- 11.1% large flake +48 @ 98.8% Cg
- High-purity affords low-cost Value-Added Products — as a result of very cost-effective purification processes
- Overall Carbon Recovery of 91%
- Adding of fines polishing circuit could increase Cg content of -200 mesh fines to 97% Cg

<table>
<thead>
<tr>
<th>Size</th>
<th>Distribution</th>
<th>Total Carbon Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coarse (+80 mesh)</td>
<td>33.5%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Medium and fine (-80 to +150 mesh)</td>
<td>29.8%</td>
<td>98.2%</td>
</tr>
<tr>
<td>-150 to +200 mesh</td>
<td>16.6%</td>
<td>98.0%</td>
</tr>
<tr>
<td>Average of all sizes (+200 mesh)</td>
<td></td>
<td>98.1%</td>
</tr>
<tr>
<td>-200 mesh</td>
<td>20%</td>
<td>91.1%</td>
</tr>
</tbody>
</table>
FLAKE PURIFICATION PROCESS

- Flotation Concentrate: 96% Cg Crystalline Flake Graphite
- Concentrate after Polishing: 98.3% Cg
- Flake Graphite after Purification: at 99.98%+ Cg
**SCANNING ELECTRON MICROGRAPH (SEM)**

99.98% Cg Uncoated Standard-Grade Purified Spherical Graphite

- SEM shows flake graphite has been successfully processed to produce spherical particles (SPG)
- SPG was coated with carbon to reduce the Specific Surface Area (SSA) to make it suitable for use in Lithium-ion Batteries
- Coating also has the effect of reducing reactivity with the electrolyte further reducing the irreversible capacity loss

SEM of standard grade uncoated spherical graphite
All electrochemical tests were run on CR2016 coin cells.

- Values of reversible capacity (RC) and irreversible capacities (ICL) at C/20 cycling were determined and the first cycle irreversible capacity loss was calculated by dividing the reversible capacity by the irreversible capacity.
- The electrolyte is 1.0M LiPF6 in FEC/EMC (30:70 vol%) for 8mm thick electrodes with a composition of 90 wt% graphite and 10 wt% supporting additives, including a PVDF-based binders.
INITIAL GALVANOSTATIC CHARGE – DISCHARGE CURVES

Standard Grade (D50 = 24µm)

Cell #736. CR2016, counter: Li; Graphite: Standard Grade Surface Coated SPG; Rate: C/20; Electrolyte 1M LiPF6 in FEC/EMC (30:70 vol%)
INITIAL GALVANOSTATIC CHARGE – DISCHARGE CURVES

Fine Grade (D50 = 17µm)

Cell #705. CR2016, counter: Li; Graphite: Fine Grade Surface Coated SPG; Rate: C/20; Electrolyte 1M LiPF6 in FEC/EMC (30:70 vol%)
RESULTS FROM CR2016 COIN CELLS TESTS
Electrochemical Tests on Lithium-ion-Grade Graphite

- SPG battery test results have excellent performance metrics when compared to current benchmark commercial SPG grades
- Note the very high Reversible Capacities of 363.7 and 365.1 Ah/kg and very low Irreversible Capacity Losses (ICL) of 1.44 and 1.01%

<table>
<thead>
<tr>
<th>Focus Graphite Coin Cell Test Samples</th>
<th>Reversible Capacity (Ah/kg)</th>
<th>Irreversible Capacity Loss (%)</th>
<th>Surface Area (m²/g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Carbon Coated SPG Grade (D50=24µm)</td>
<td>363.7</td>
<td>1.44</td>
<td>0.48</td>
</tr>
<tr>
<td>Fine Carbon Coated SPG Grade (D50=17µm)</td>
<td>365.1</td>
<td>1.01</td>
<td>1.14</td>
</tr>
</tbody>
</table>
# FOCUS GRAPHITE’S SPHERICAL GRAPHITE VS. SPHERICAL SYNTHETIC GRAPHITE

Comparing Focus Graphite’s Natural SPG vs. Commercially Available Synthetic Graphite

<table>
<thead>
<tr>
<th>Focus Graphite’s Natural SPG vs. Synthetic SPG</th>
<th>Reversible Capacity (Ah/kg)</th>
<th>Irreversible Capacity Loss (%)</th>
<th>Surface Area (m²/g)</th>
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<tr>
<td>Standard Carbon Coated SPG Grade (D50=24µm)</td>
<td>363.7</td>
<td>1.44</td>
<td>0.48</td>
</tr>
<tr>
<td>Synthetic Carbon Coated SPG Grade (D50=22µm)</td>
<td>330</td>
<td>9.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

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<tr>
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<td>365.1</td>
<td>1.01</td>
<td>1.14</td>
</tr>
<tr>
<td>Fine Synthetic Carbon Coated SPG (D50=16.5µm)</td>
<td>320</td>
<td>9.00</td>
<td>1.50</td>
</tr>
</tbody>
</table>
Specific capacity versus cycle number of anode produced from Purified -200 mesh Lac Knife Graphite Fines at a current density of 50 mAh/g
PURIFIED +80 MESH
Lac Knife Large Flake

- Specific capacity versus cycle number of anode produced from Purified +80 mesh Lac Knife Flake Graphite at a current density of 50 mAh/g
COMMERCIAL PURIFIED SPHERICAL GRADE OF FLAKE GRAPHITE

- Specific capacity versus cycle number of anode produced from a commercial Purified Grade of Carbon-Coated Spherical Flake Graphite at a current density of 50 mAh/g
LAC KNIFE MILESTONES

Current Developments

• Completed Feasibility Study
  • 7,857 kt of Proven and Probable Mineral Reserves grading 15% Cg
  • Reduced operating costs from $458/t of concentrate to $441/t
• Achieved excellent test results from our spherical graphite product for Lithium ion battery market

Upcoming Milestones

• Project Financing underway
• Negotiating Offtake Agreements
• Permitting underway
• Detailed Engineering:
  • Hydro-Québec electricity connection
  • Access road upgrade
  • Purification facilities
THANK YOU

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