January 2019

“EACH ELECTRIC CAR CONTAINS ABOUT 50 KILOGRAMS (110 POUNDS) OF GRAPHITE. TESLA’S GIGAFACTORY ALONE COULD DOUBLE DEMAND FOR GRAPHITE IN BATTERIES.”
—BLOOMBERG NEWS (APRIL 2014)

Focus Graphite is the sole owner of the Lac Knife Graphite Project in Quebec –

One of the leading graphite mining development projects in the world. Lac Knife is considered a priority project by the Quebec government and is committed to our project’s continuing development. Focus has a considerable footprint in Quebec with three graphite properties and co-ownership with the Quebec government of the Kwyjibo Rare Earth Elements Project – considered as one of the top five REE projects in the world today, with a significant concentration of neodymium.

Focus is in the concluding stages of discussions for mine financing with an international consortium. We are also in the final stages of mine permitting and anticipate mine construction to commence in 2018. As part of our longer-term, value added business strategy, we anticipate completion of a Scoping and Marketing Study in 2018 for our planned, Quebec-based battery materials and products manufacturing facility.

Focus Graphite’s standing in the world is built upon three key elements: A world-class resource, superior economics, and having successfully developed a complete line of industry-leading, value added graphite products for next generation lithium battery applications.

With rising global demand for clean, renewable energy sources, the Company’s high purity Lac Knife mineral source and our technological achievements leave Focus competitively well positioned to secure long-term graphite supply contracts. Our primary foreign commercial focus is on Asian and European markets with particular interest in China in addition to ongoing materials testing among a number of potential North American customers.

INVESTOR INFORMATION $CAD

As of Jan. 7, 2019

Recent Share Price $0.035
Market Capitalization $13.09 million
Shares (Issued & Outstanding) 373,936,342
Options 30,380,000
Warrants 173,683,756

focusgraphite.com

TSX-V: FMS OTCQX: FCSMF FSE: FKC
VERTICALLY INTEGRATED ‘MINE-TO-TECHNOLOGY’ SUPPLY STRATEGY

Value Added Focus Graphite Products

- Large, Medium and Fine Flake Graphite – Outperforms Synthetic and Competitive Flake Graphite Sources
- “Superfine” Grade of Coated Spherical Graphite – an Industry First
- Highly Conductive Ultrafine and Expanded Graphite for Lithium Battery Cathodes
- Silicon-enhanced Lac Knife Graphite Anodes Double Energy Capacity in Lithium-Ion Batteries

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>

FEASIBILITY STUDY SUMMARY (Issued August 8, 2014)

Financial Results $ CAD

| Capital Expentiture (CAPEX) | $165.55 M* |
| Cost Per Tonne (Concentrate) | $441.00 per tonne |
| Annual Operating Expenses | $19.50 M |
| Annual Operating Margin | $56.40 M |
| Average Selling Price USD$ | 1,713.00 per tonne |

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-Tax Post-Tax

| Internal Rate of Return (IRR) | 30.1% | 24.1% |
| Net Present Value (NPV) (6% discount) | $510M | $304M |
| Net Present Value (NPV) (8% discount) | $383M | $224M |
| Net Present Value (NPV) (10% discount) | $291M | $165M |
| Payback Period | 3.0 years | 3.2 years |

BATTERY-GRADE GRAPHITE IN NORTH AMERICA FROM MINING-FRIENDLY QUEBEC

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Director of Manufacturing and Technology

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Gary Economo
Robin Dow