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For Immediate Release

FMS: TSX-VENTURE

Focus Graphite Inc. Announces Strategic Offtake Agreements With Grafoid Inc.

Agreements Safeguard Security of Future Revenue for Focus Graphite's Lac Knife Project and Supply for the Commercialization of Grafoid's Mesograf™ Product Applications

OTTAWA – June 22, 2015 – Focus Graphite Inc., (TSX VENTURE: FMS; OTCQX: FCSMF; FSE: FKC) ("Focus" or the "Company") an advanced stage graphite mining development company and sole owner of the high-grade Lac Knife, Québec natural flake graphite deposit, is pleased to announce it has entered into two offtake agreements with Grafoid Inc., a global leader in graphene application development.

The first offtake agreement (the "Energy Offtake") commits Grafoid to acquire, at its discretion, up to an annual maximum of 1,000 tonnes of high-purity (98.3% total carbon "Ct")[1] large flake (+80 mesh) graphite concentrate annually from the Lac Knife Project for 10 years, representing up to 6.8% of the projected annual production of 14,606 tonnes of high-purity large flake concentrate.

The second offtake agreement (the "Polymer Offtake") commits Grafoid to acquire, at its discretion, up to 25,000 tonnes of 97.8% Ct (average concentrate grade for all flake sizes) graphite concentrate annually from the Lac Knife Project for 10 years, representing up to 56.4% of the projected total annual production of 44,300 tonnes (all flake sizes).

Mr. Gary Economo, Chief Executive Officer of Focus Graphite, announced that the two companies have set forth initial terms for two offtake agreements. "The strong relationship and strategic alignment between the two companies is reflected in these agreements. Focus Graphite benefits from a substantial ongoing future revenue stream while Grafoid is assured a secure supply to meet customer needs," said Mr. Economo.

Grafoid is a Canadian graphene research and development company that invests in the development of industrial-scale graphene applications and technologies, in partnership with major global corporations and academic institutions. Grafoid's graphene products are developed under the trade name of Mesograf™.

[1] 98.3% Ct purity is the average of 6 pilot plant runs. The pilot plant program was completed in 2013 by SGS Canada Inc., located in Lakefield, Ontario. See news release dated August 21, 2013.

Focus is the largest single shareholder in Grafoid Inc. holding 7,800,000 Grafoid common shares valued at US$39 million.[2]

Energy Offtake Agreement

Once the Lac Knife Project comes into production, the "Energy Offtake" is intended to supply Grafoid's needs for a range of next-generation graphene-based automotive batteries, batteries for consumer electronics, and energy storage applications. Customer requirements would come from Grafoid, its subsidiaries, acquisitions and/or joint venture partnerships.

Under the initial terms of the Energy Offtake agreement, Grafoid would pay Focus Graphite C$1 million over a 12-month period, with the first payment being on or before September 30, 2015, for the right of first refusal to purchase up to the annual maximum of 1,000 tonnes and would also give Grafoid the first right of refusal to extend and expand the offtake agreement for an additional 10-year period. The pricing for an additional 10-year period will be set at market price less 10%.

Pricing for the offtake is derived from the *Technical Report on The Lac Knife Graphite Feasibility Study*[3] for high-purity large flake (98.3% Ct) graphite concentrate which is US$1,910/tonne, minus 10%. Accordingly, Focus estimates that the Company could record approximately US$17.2 million in revenue under the first 10-year term of the agreement, if fully exercised.

Polymer Offtake Agreement

Once the Lac Knife Project comes into production, the Polymer Offtake is intended to supply Grafoid's needs for a range of graphite-based polymer applications for the automotive and aerospace industry. Customer requirements would come from original equipment manufacturers (OEMs) and Tier 1 or Tier 2 suppliers. This area of commercial application development holds considerable promise for Grafoid as OEMs are looking for lighter and stronger composite materials to replace expensive carbon fiber and that ultimately reduce cost, increase fuel savings and build longer life into those components used in transportation industries.

The patented graphite-polymer process was developed by Grafoid's wholly owned subsidiary, Graflow Inc., in partnership with Rutgers University's AMIPP Advanced Polymer Center.

[2] Grafoid Inc. is a private company that has raised nearly US$20 million and completed acquisitions at US$5 a share, as referenced in a company release on the acquisition of ALCERECO and in investment analyst coverage by NY-based JGL Partners LLC.
[3] Prices from table 19.3, page 215, NI 43-101 Technical Report On The Lac Knife Graphite Feasibility Study, August 8, 2014, prepared in accordance with NI 43-101 by Met-Chem Canada Inc. Prices in the technical report were from an independent market study carried out by UK-based Industrial Minerals Data, on world supply and demand for flake graphite concentrate that provided a price forecast for the period 2014-2017.

Under the initial terms of the Polymer Offtake agreement, Grafoid would pay Focus Graphite C$1 million over a 12-month period, with the first payment being on or before September 30, 2015, for the right of first refusal to purchase up to the annual maximum of 25,000 tonnes of the projected total annual production of all flake size graphite concentrate. Grafoid would also have the first right of refusal to extend the offtake agreement for an additional 10-year period. The pricing for an additional 10-year period will be set at market price less 10%.

Pricing for the offtake is derived from the *Technical Report on The Lac Knife Graphite Feasibility Study*[4] for blended average market pricing which is US$1,713/tonne, minus 10%. Accordingly, Focus estimates that the Company could record approximately US$385.4 million in revenue under the first 10-year term of the agreement, if fully exercised.

Completion of the offtake agreement transactions between Focus Graphite Inc. and Grafoid Inc. are subject to a number of conditions, including, but not limited to, the signing of definitive agreements within 60-days from the date of the announcement; approvals by the Board of Directors of both companies; and TSX-V acceptance.

Additional Terms of the Agreements

Focus will also divest between 1,000,000 and 2,000,000 common shares of Grafoid from the 7,800,000 common shares of Grafoid the Company currently owns. The proceeds from the sale will be applied to ongoing development costs of the Lac Knife Project.

"These initial offtake agreements represent a concrete example of Focus Graphite's value-added, mine-to-technology markets business strategy," said Mr. Economo. "Focus Graphite's technology graphite supply vision has been, and continues to be the cornerstone of our business mission for creating shareholder value and for the Company's future prosperity. In this regard, our strategy leads the way into diverse technology markets on a global scale," concluded Mr. Economo.

Grafoid's suite of graphene materials have been uniquely adapted for use with its Fortune 500 and institutional partners for applications in a large number of areas: lithium batteries; composite materials; additive materials for 3D printing; water treatment; thermal management systems; graphene polymers; graphene coatings; lubricants; chemicals; electrochemical capacitors; solar technologies; OLED lighting; fuel cells; interior and exterior automotive components; aerospace; medical; electrical cables; and electronics. Grafoid is actively pursuing the opportunities offered by these commercial applications in conjunction with its 17 wholly owned graphene product development subsidiaries.

[4] Ibid.

Update on Focus Graphite's Lac Knife Project

The Company continues to advance its $166 million structured project financing for the construction of the Lac Knife mine and concentrator facilities following the positive Feasibility Study completed in accordance with National Instrument 43-101 (NI43-101).

Focus recently announced the launching of a feasibility study[5] for construction of a graphite concentrate transformation facility in the port city of Sept-Iles, Québec. The transformation plant feasibility study for value-added graphite products is in accordance with Québec stakeholder interests for transformation within the province and with the new Québec Mining Act which requires that an application for a mining lease be accompanied by a scoping and market study regarding transformation of mine products in Québec.

The Lac Knife Project also enjoys the support of the Government of Québec, as graphite is a priority commodity under its recently revived Plan Nord – Northern Québec's Economic, Environmental and Social Development Program.

Focus Graphite's development milestones include an industry-first offtake agreement; its Lac Knife Project Feasibility Study highlighted an NPV of C$242 million after-tax and a C$383 million pre-tax, an IRR of 24.1% after-tax and 30.1% pre-tax, and one of the lowest projected operating mining costs in the world at C$441/tonne over a 25-year mine life.

Discussions are currently underway with other potential graphite end-users as part of the Company's ongoing process of securing financing for the Lac Knife Project.

The Company's current project financing efforts do not include the costs or future potential high-margin revenues from its proposed Sept-Iles value-added graphite transformation plant.

About Focus Graphite Inc.

Focus Graphite Inc. is an advanced mining development 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 Québec 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 ("SPG")

[5] The feasibility study for the transformation plant do not concern the extraction of a mineral resource and do not follow the CIM Definition Standards for Feasibility Study as defined in NI 43-101 guidelines.

The Lac Knife project hosts a Measured and Indicated Mineral Resource Estimate[6] 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[7] 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 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[8] 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 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.

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.

For more information about Focus Graphite, please visit http://www.focusgraphite.com.

Qualified Person

The above scientific and technical information about the exploration activities as defined in NI 43-101 s.1.1, was prepared, reviewed and approved by Benoit Lafrance, géo/P.Geo, Ph.D. (Québec), Vice-President of Exploration for Focus Graphite and a Qualified Person under National Instrument (NI) 43-101 guidelines.

About Grafoid Inc.

Grafoid is a complete solutions graphene company. The company provides expertise as well as product and processes for transformative, industrial-scale graphene applications in partnership with leading corporations and institutions around the world.

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[6] Mineral resources are not mineral reserves and do not have demonstrated economic viability

[7] 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

[8] Ibid

A privately held Canadian corporation, Grafoid invests in graphene applications and economically scalable production processes for graphene and graphene derivatives from raw, unprocessed graphite ore. Focus Graphite Inc. holds a significant interest in Grafoid Inc.

Incorporated in 2011, Grafoid has become one of the largest producers of high-purity, economically scalable few-layer graphene, trademarked globally as Mesograf™. Grafoid's global enterprise platform includes 17 subsidiary companies engaged in the development of Mesograf™ materials and products, and development services. They include, but are not limited to: Mesograf™ lithium batteries for electric vehicles, consumer electronics, and industrial energy storage; additive manufacturing materials including metal alloy and graphene polymer powders for 3D printing; polymers, plastics, rubber, elastomers, and composite materials; fibre science including aluminum alloys; coatings and lubricants; fire retardant materials; thermal management solutions; EMI/RFI/EMP shielding; solar solutions, and analytical testing; and laboratory services.

Grafoid's research is supported through the Industrial Research Assistance Program (IRAP) of the National Research Council of Canada, and, on February 20, 2015, Grafoid received an $8.1 million investment from the SD Tech Fund™ of Sustainable Development Technology Canada (SDTC) to develop a technology that will automate Mesograf™ graphene production and end-product development. SDTC is mandated by the Government of Canada to support clean technology companies as they move their technologies to market.

For more information about Grafoid, please visit http://www.grafoid.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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