January 20th, 2017

For Immediate Release

FMS: TSX-VENTURE

Focus Graphite reports 102.1 m grading 10.7% Graphitic Carbon (Cg) from its Infill and Extension Drilling Program at Lac Tétépisca, Québec – includes 30.2 m sub-intercept grading 16.7% Cg

OTTAWA – January 20th, 2017 -- Focus Graphite Inc. (FMS: TSX-V; OTCQX: FCSMF; FSE: FKC) ("Focus" or the "Company") is pleased to announce the results from the Company's 2016 infill and extension drilling program at its wholly owned **Lac Tétépisca Graphite Project** ("the Project") located southwest of the Manicouagan reservoir in the Côte-Nord administrative region of north-eastern Québec. The results of 2016 drilling program (18 holes; total: 2,424 m) combined with the results of the maiden core drilling program carried out on the Project in 2014, (16 holes; total: 1,874 m; refer to Focus news release dated August 17th, 2016 available at www.focusgraphite.com and at www.sedar.com) will form the basis of an initial Mineral Resource Estimate, planned to commence in Q1 2017, to be followed by a Preliminary Economic Assessment (PEA) in Q2 or Q3.

Highlights:

- In 2016, 18 HQ-diameter holes (total: 2,424 m; Figure 1) were drilled to test the continuity of the graphitic mineralization within the "Manicouagan-Ouest Graphitic Corridor" with respect to the variability of graphitic carbon thickness and grades. Fifteen (15) holes intersected significant graphitic mineralization with grades ranging from 5.6% Graphitic Carbon (Cg[1]) to 19.35% Cg over a minimum true thickness[2] of 6.2 m (Table 1).

- Best intersection[2]: Hole LT-16-32, drilled at -45 degrees to a depth of 159 m, intersected 102.1 m grading 10.7% Cg (from 42.0 m to 145.15 m (core length: 103.15 m); Table 1), including:
  - 30.2 m grading 16.7% Cg (from 45.75 m to 76.25 m (core length: 30.5 m); Table 1); and
  - 13.0 m grading 14.4% Cg (from 100.4 m to 113.5 m (core length: 13.1 m); Table 1).

- The Manicouagan-Ouest Graphitic Corridor is a linear kilometer-scale geophysical Magnetic (MAG) - Electromagnetic (EM) anomaly that is now drilled-tested over a 1,000 m strike length. The main graphite-bearing zone is 85 m wide on average, with drilling down to approximately 100 m.

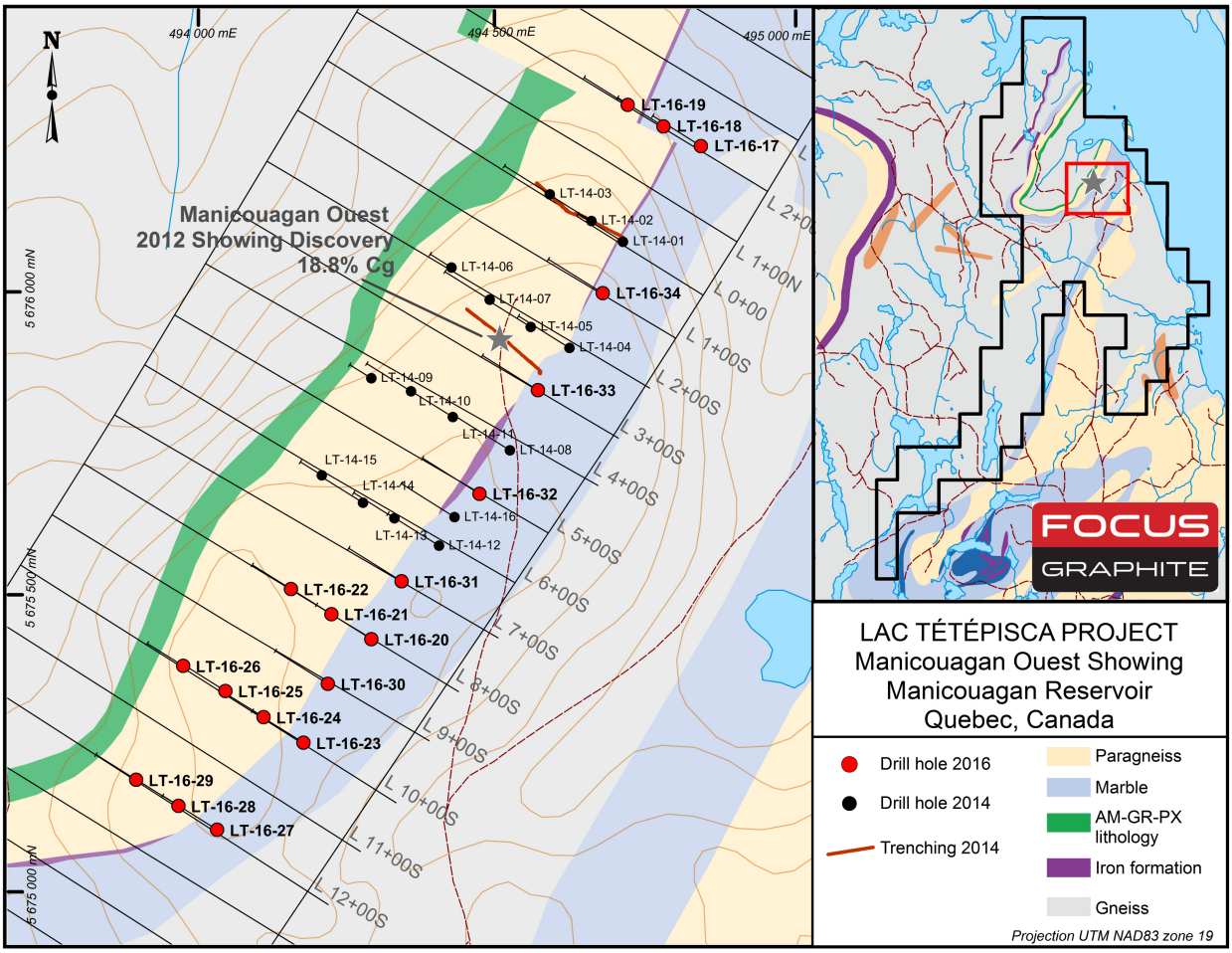
The maiden core drilling program conducted on the Manicouagan-Ouest Graphitic Corridor in 2014 intersected significant graphitic mineralization including in hole LT-14-04 (Figure 1) which intersected 103.9 m[2] grading 10.25% Cg (refer to Focus news release dated August 17th, 2016 available at www.focusgraphite.com and at www.sedar.com).

Focus Graphite President and CEO Gary Economo said these latest drilling results indicate Lac Tétépisca is well on its way to becoming the Company's second significant graphite asset in the Côte-Nord region of Québec. Focus owns the high purity Lac Knife mine development project near Fermont.

"Looking ahead, Lac Tétépisca *holds the potential to meet our future supply obligations for graphite-based polymers for the automotive and other industries, whereas Lac Knife's high purity concentrate production is planned for clean technology, renewable energy markets that require high quality coated spherical graphite." Mr. Economo said.*

The 2016 drilling program (Figure 1) consisted of three fences of drill holes spaced 200 m apart that were designed to test the 600 m southwest extension of the deposit. A fourth fence of holes (Line 2+00N) tested the northeast extension. In the wider central portion of the deposit, five (5) drill holes tested the higher grade portion of the Manicouagan-Ouest Graphitic Corridor on sections that are spaced 100 m apart. The infill drilling has confirmed the continuity of the graphitic mineralization as well as the occurrence of a high-grade zone, and it has provided further representative mineralization material for orientation metallurgical testing that is ongoing.

This second phase of core drilling targeting the Manicouagan-Ouest Graphitic Corridor further indicates the potential for the Lac Tétépisca project (and the Southwest Manicouagan reservoir area) to host a new large volume - high grade natural graphite deposit. Drill intercepts reveal that the highest-grade section of the Manicouagan-Ouest Graphitic Corridor is continuous over a strike length of 1 km and down to approximately 100 m depth. Graphitic grades within this section range from 10 to 13% Cg. The average thickness of the main graphitic horizon is 85 m with a higher-grade zone lying along the eastern edge, stratigraphically above a lower grade zone.


N
494 000 mE
494 500 mE
495 000 mE
5 676 000 mN
5 675 500 mN
5 675 000 mN
Manicouagan Ouest
2012 Showing Discovery
18.8% Cg
LT-16-19
LT-16-18
LT-16-17
LT-14-03
LT-14-02
LT-14-01
LT-14-06
LT-14-07
LT-14-05
LT-14-04
LT-16-34
LT-16-33
LT-14-09
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L 1+00N
L 0+00
L 1+00S
L 2+00S
L 3+00S
L 4+00S
L 5+00S
L 6+00S
L 7+00S
L 8+00S
L 9+00S
L 10+00S
L 11+00S
L 12+00S
FOCUS
GRAPHITE
LAC TÉTÉPISCA PROJECT
Manicouagan Ouest Showing
Manicouagan Reservoir
Quebec, Canada
Drill hole 2016
Drill hole 2014
Trenching 2014
Paragneiss
Marble
AM-GR-PX lithology
Iron formation
Gneiss
Projection UTM NAD83 zone 19

Figure 1.

TABLE 1: 2016 DRILLING PROGRAM RESULTS									
Drillhole	**Section**	**Azimuth**	**Total Length (m)**	**Intercepts**	**From (m)**	**To (m)**	**Core Intersection Length (m)**	**True Thickness (m)[1]**	**Cg (%)**
LT-16-17	2+00 N	302	135	**Intersection**	**10.4**	**34.55**	**24.15**	**23.9**	**6.81**
				Intersection	**81.35**	**111.0**	**29.65**	**29.4**	**7.24**
				Including	*92.0*	*101.2*	*9.2*	*9.1*	*10.14*
LT-16-18	2+00 N	302	129	**Intersection**	**16.55**	**52.1**	**35.55**	**35.2**	**11.21**
				Including	*18.7*	*42.2*	*23.5*	*23.3*	*14.13*
LT-16-19	2+00 N	302	126	**Intersection**	**63.25**	**69.55**	**6.3**	**6.2**	**8.34**
LT-16-34	1+00 S	302	150	**Intersection**	**25.0**	**55.1**	**30.1**	**29.8**	**9.09**
				Including	*44.0*	*53.0*	*9.0*	*8.9*	*16.50*
				Intersection	**64.25**	**115.05**	**50.8**	**50.3**	**13.13**
				Including	*84.1*	*111.7*	*27.6*	*27.3*	*16.06*
LT-16-33	3+00 S	302	156	**Intersection**	**31.3**	**133.0**	**101.7**	**100.7**	**10.15**
				Including	*31.3*	*55.85*	*24.55*	*24.3*	*17.07*
				Including	*100.3*	*110.4*	*10.1*	*10.0*	*14.52*
LT-16-32	5+00 S	302	159	**Intersection**	**42.0**	**145.15**	**103.15**	**102.1**	**10.70**
				Including	*45.75*	*76.25*	*30.5*	*30.2*	*16.69*
				Including	*100.4*	*113.5*	*13.1*	*13.0*	*14.42*
LT-16-31	7+00 S	302	147	**Intersection**	**25.55**	**124.6**	**99.05**	**98.1**	**12.37**
				Including	*38.0*	*79.7*	*41.7*	*41.3*	*16.64*
				Including	*107.4*	*122.6*	*15.2*	*15.0*	*14.56*
LT-16-20	8+00 S	302	150	**Intersection**	**46.4**	**130.45**	**84.05**	**83.2**	**11.62**
				Including	*58.35*	*104.05*	*45.7*	*45.2*	*15.62*
LT-16-21	8+00 S	302	126	**Intersection**	**3.0**	**70.5**	**67.5**	**66.8**	**12.42**
				Including	*3.0*	*31.3*	*28.3*	*28.0*	*19.36*
LT-16-30	9+00 S	302	147	**Intersection**	**22.5**	**110.5**	**88.0**	**87.1**	**11.3**
				Including	*39.0*	*85.5*	*46.5*	*46.0*	*15.06*
LT-16-23	10+00 S	302	144	**Intersection**	**60.0**	**72.27**	**12.27**	**12.1**	**7.74**
				Intersection	**81.0**	**111.5**	**30.5**	**30.2**	**9.71**
				Including	*82.9*	*104.5*	*21.6*	*21.4*	*11.28*
				Intersection	**126.5**	**132.95**	**6.45**	**6.4**	**7.95**
LT-16-24	10+00 S	302	123	**Intersection**	**18.55**	**73.55**	**55.0**	**54.5**	**9.60**
				Including	*37.0*	*57.55*	*20.55*	*20.3*	*11.79*
LT-16-27	12+00 S	302	156	**Intersection**	**79.2**	**117.3**	**38.1**	**37.7**	**6.41**
LT-16-28	12+00 S	302	126	**Intersection**	**6.5**	**20.0**	**13.5**	**13.4**	**6.84**
				Intersection	**28.75**	**43.55**	**14.8**	**14.7**	**6.64**
LT-16-29	12+00 S	302	114	**Intersection**	**6.5**	**16.8**	**10.3**	**10.2**	**5.6**

Mineralized intersections are calculated with Cg > 5% over a minimum of 6 m, the maximum internal dilution is 6 m and no external dilution is considered.

[1] Carbon analyses were performed by the Consortium de Recherche Appliquée en Traitement et Transformation des Substances Minérales ("COREM") of Québec-City, an ISO/IEC 17025:2005 certified facility using LECO high frequency combustion method with infrared measurement (code LSA-M-B10) and are reported as graphitic carbon (Cg).

[2] True thicknesses are listed in this news release. The drill holes have been loaded into Gemcom and the three-dimensional deposit envelope has an azimuth of 210 degrees and dips at -40 degrees. HQ drill holes crosscut the envelope of the mineralized zone' strike and dip at a high angle. The conversion factor for true thickness is 0.99 of the core intersection length.

2016 Infill and Extension Drilling Program

The 2016 Lac Tétépisca drilling program was designed by Focus. IOS Services Géoscientifiques ("IOS") of Saguenay, Québec, supervised the drilling campaign. Diamond drilling was performed by Chibougamau Diamond Drilling Ltd. of Chibougamau, Québec. The drill core was logged in the field by IOS, and then shipped to IOS' laboratory facilities in Saguenay for sample preparation for geochemical analysis and storage. Samples were sent to COREM, an ISO/IEC 17025:2005 certified facility located in Québec City, for graphitic carbon analysis using LECO high frequency combustion method with infrared measurement (code LSA-M-B10). Total sulphur was also analyzed by LECO (code LSA-M-B41).

Quality Assurance / Quality Control

Under the QA/QC program, about 10% of the samples (a total of 131 core samples) were analyzed by COREM for total (code LSA-M-B45), organic (code LSA-M-B58), inorganic (code LSA-M-B11) and graphitic (code LSA-M-B10) carbon as well as for total sulphur (code LSA-M-B41). Duplicates of the same 131 samples were also sent to ACTLABS Laboratories of Ancaster, Ontario (ISO/IEC 17025:2005 with CAN-P-1579) for graphitic carbon (code 5D – C Graphitic) and total sulphur (code 4F – S Combustion infrared detection) determinations and for 35 multi-element analysis using ICP methods (code 1E2 – Aqua Regia). IOS introduced 87 standards, 15 duplicates (sawing, crushing or grinding duplicates) and 91 blank samples into the batch of core sample as part of the QA/QC program.

About the Lac Tétépisca Graphite Project

Focus Graphite's 100%-owned Lac Tétépisca Graphite Project consists of 87 contiguous map-designated claims ("CDC") covering 4,692.82 ha. The Project is located in the Southwest Manicouagan reservoir area, 234 km north-northwest of Baie-Comeau, an industrial city located where the Manicouagan River intersects the North shore of St. Lawrence River. The Project is accessible year-round by logging roads that connect to Highway 389, which in turn connects to Baie-Comeau. The Project is part of the former Lac Guérêt-Nord Project of SOQUEM Inc. and Quinto Technology Inc. Focus purchased 100% of the mineral rights to the Project in August 2011.

The Lac Tétépisca graphitic corridor discovery was found as a result of initial prospecting and trenching work conducted in 2012 and in 2013. In 2014, Focus conducted a drilling campaign to test surface mineralization down to a vertical depth of approximately 100 m and the best intersection reported was 103.9 m grading 10.25% Cg (refer to Focus news releases August 17, 2016 available at www.focusgraphite.com and at www.sedar.com).

In 2014, Focus conducted a preliminary metallurgical characterization of a 10 kg composite channel sample of graphite mineralization. The metallurgical test work which was carried out at SGS Canada Inc., of Lakefield, Ontario, achieved a carbon content averaging 94.7% total carbon[3] (Ct) for all flake above 200 mesh, including 97.7% Ct for plus 80 mesh flake - a quality that is critical to the lithium ion battery market (refer to Focus news release dated October 20, 2014 available at www.focusgraphite.com and at www.sedar.com).

A map of the Lac Tétépisca project is available on the Company's website at www.focusgraphite.com.

[3] *Carbon analyses were performed by SGS Canada Inc. ("SGS") and are reported as total carbon ("Ct"). The analytical methods that were used to determine the metallurgical results included total carbon analysis by Leco on the final concentrates. Total carbon assays are for the higher graphite concentrate grades, whereas graphitic carbon assays are for drill core and it is a more accurate method when graphitic carbon content is lower than approximately 50% Cg.*

About Focus Graphite

Focus Graphite Inc. is an advanced exploration and mining company with an objective of producing graphite concentrate at its Lac Knife deposit located southwest 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) 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 24, 2016, the Company released channel sampling results from its Lac Tétépisca Nord graphite project. An 86.8 m long trench crosscut 67.2 m grading 6.75% Cg.

On November 21, 2016, the Company and SOQUEM reported high hydrometallurgical recoveries of rare earth elements from the Kwyjibo REE project. The extraction rate from rare earth concentrate is approximately 90% for all rare earth elements within the Magnetitite Mineralization Type (MM1). The relatively simple metallurgical flowsheet is a distinctive feature of the Kwyjibo project among peer rare earth elements projects.

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.

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 relating to the Lac Tétépisca project drilling results.

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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