

FORM 51 – 102F3
MATERIAL CHANGE REPORT

Item 1 Name and address of the Company

Focus Graphite Inc. (the “Company” or “Focus”)
945 Princess Street
Kingston, Ontario K7L 0E9

Item 2 Date of material change

March 13, 2018.

Item 3 News release

The press release was issued and distributed on March 13, 2018 via Marketwired.

Item 4 Summary of material change

Focus Graphite announced the execution of a Marketing Agreement which formalizes an existing marketing arrangement with Grafoid Inc.

Item 5 Full description of material change

5.1 – Full description of material change

Focus announced that it has executed a formal marketing agreement (the “Marketing Agreement” with Grafoid Inc. (“Grafoid”). Under the terms of the Marketing Agreement, Focus has engaged Grafoid to provide marketing and product development and related services using its technical and industry knowledge and expertise. Grafoid will (i) provide marketing and product development and related services for Focus’ business projects (including the Lac Knife crystalline flake graphite deposit); (ii) assist in the development of offtake agreements with third parties; (iii) assist in the technological development of graphite products; (iv) assist Focus in its efforts to secure a \$175-million financing to be used for capital expenditure funding to support the Lac Knife project; and (v) provide other services as may be agreed upon between the parties.

The Marketing Agreement formalizes the arrangement between the parties that has been in effect since October 1, 2017, and will continue until terminated. Focus will pay Grafoid \$200,000 per month for the services provided, as well as a 3% success fee for completing the \$175-million capital expenditure financing. Either party may terminate the Marketing Agreement upon 30 days’ written notice.

5.2 – Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted information

None.

Item 8 Executive Officer

Judith Mazvihwa-MacLean
Chief Financial Officer
Telephone: 613-241-4040

Item 9 Date of Report

September 12, 2018.