Focus Graphite Inc. Announces Closing of Shares for Debt Transaction

(TSXV: FMS)

Ottawa, ON January 10, 2025 – Focus Graphite Inc. ("Focus" or the "Company") (TSX-V: FMS; OTCQX: FCSMF; FSE: FKC), announced today that further to its October 23, 2024 news release, it has settled an aggregate of $865,000 in debt owed by the Company to JJJY Holdings Inc. (the "**Lender**") in respect of an unsecured loan made to the Company of $2,300,000 (the "**Debt**"). The balance of the Debt has no maturity date and bears no interest. In settlement of the Debt, the Company issued 11,533,333 common shares of the Company to the Lender at a deemed price of $0.075 per share (the "**Debt Settlement**"). The common shares issued in connection with the Debt Settlement are subject to a hold period that expires on May 7, 2025.

The issuance of the shares pursuant to the Debt Settlement is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**") as the Lender is a company controlled by a director and Chairman of the Board of Focus. The Debt Settlement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to subsection 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value of the transaction nor the fair market value of the consideration exceeds 25% of the Company's market capitalization.

About Focus Graphite Inc.

Focus Graphite Inc. is an advanced materials company developing sustainable mining and technology innovations. At the heart of our operations is the Lac Knife flake graphite deposit, known for its exceptional high purity and grade—ideal for applications in the military, defense, and green energy revolutions. Currently advancing through Canada's mine permitting process, Focus Graphite is on the verge of transforming this resource into a cornerstone for critical mineral supply.

Our proprietary, environmentally sustainable processing technologies ensure a green, chemical-free pathway from mine to market. The Company's proprietary silicon-enhanced spheroidized graphite patent technology is aimed at improving battery performance. We specialize in producing advanced, high-purity graphite materials tailored for diverse industries, including EV batteries, military applications, and high-tech manufacturing.

Focus Graphite's commitment extends beyond resource extraction—we are actively building partnerships with industry leaders, academic institutions, and government bodies to accelerate the commercialization of advanced materials and technologies derived from our flagship project. As a proud Canadian company, we are dedicated to contributing to North America's secure and sustainable critical minerals supply chain.

For more information on Focus Graphite Inc. please visit https://focusgraphite.com/

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