Focus Graphite Files Environmental and Social Impact Assessment for the Lac Knife Graphite Project

OTTAWA, ONTARIO -- (Marketwire – December 1, 2014) - Focus Graphite Inc. (TSX-V:FMS; OTCQX:FCSMF; FRANKFURT:FKC) ("Focus" or the "Company") is pleased to announce the completion and filing of an Environmental and Social Impact Assessment ("ESIA") for the Lac Knife Project located in northeastern Québec. Golder Associates completed the study and the report. This significant milestone is one of several initiatives underway that are contributing to the ongoing process of de-risking Lac Knife’s Project development.

A Feasibility Study that demonstrates the technical and economical viability of the Lac Knife project was filed on August 8th, 2014. Since then, the general site layout of the Feasibility Study was further optimized between July and October. This optimized site layout is included in the ESIA report and is being used to consult with communities including the Uashat mak Mani-Utenam (“ITUM”) First Nation and community stakeholders in Fermont with respect to their sustainable development interests. The mine site layout and design will be refined further during the upcoming detailed engineering phase of the project.

The ESIA is the main document used to communicate and discuss details of the project to all concerned regulators and community stakeholders regarding the project’s impact, risk mitigation, and potential benefits. The Lac Knife ESIA was filed with Québec’s provincial authorities at the Ministère du Développement Durable, de l’Environnement et de la Lutte contre les Changements Climatiques ("MDDELCC").

The Company is working in collaboration with MDDELCC regarding the various permits required for developing the Lac Knife Project and this process will continue towards the objective of obtaining the final Decree from the government of Québec.

Don Baxter, President and Chief Operating Officer of Focus Graphite said: “We are very pleased to announce this significant milestone that furthers our sustainable development initiatives by integrating both social and environmental aspects of the Lac Knife project. This report is the result of several years of fieldwork and consultation with stakeholder communities in the area, and is an ongoing initiative. The Project team that we have assembled continues to deliver important milestones that continue to advance and de-risk the project. It is worth noting that this relatively low cost flake graphite mining project also has a very small carbon footprint compared to other graphite projects outside Quebec due to Hydro Québec’s hydroelectric power that is a key economic and environmental variable for the project.”

Worthy of mention is that the Lac Knife battery ready graphite project is a relatively small-scale mining operation with a relatively small footprint in a well-established mining district.

Following the Company’s news release on May 27th titled “Independent Test: Focus Graphite Succeeds in Producing Extremely High-Performing Coated Spherical Graphite For Lithium Ion Batteries”, a Preliminary Economic Assessment of this second transformation into spherical graphite is planned. This study regarding value added products is not within the scope of the current Lac Knife project but it is now an integral part of the process for
obtaining a mining lease. The Lac Knife concentrate would be further processed in a separate commercial scale production facility to manufacture spherical graphite.

Therefore, participation in this project offers the potential added value of this second transformation to spherical graphite used in Li-ion batteries that will help to enable the electrification of transportation and other green technologies as well as creating more jobs in the secondary transformation sector. These are key interests with respect to the Plan Nord in Québec. Both the mine site and the spherical graphite production plant would be powered by Hydro Québec’s low cost and low carbon footprint sustainable energy sources.

Neither the capital expenditures or operational costs nor the potentially higher margins associated with the second transformation of graphite concentrate into spherical graphite products are included in Lac Knife’s current project economics.

The positive Feasibility Study for the Lac Knife Project covers a 25 year mine life based on 7.86 million tonnes (429,000 tonnes Proven and 7,428,000 tonnes Probable) of Proven and Probable Reserves grading 15.13% Cg. The project has the potential to become a low cost high quality battery ready graphite producer with an internal rate of return of 30.1% before-tax (24.1 after-tax) based on an average value of $1,713 per tonne of high carbon content concentrate (base case). The payback period is estimated at 3 years.

Qualified Person
The technical information in this news release was prepared, reviewed and approved by Mr. Don Baxter, P. Eng., Focus President & Chief Operating Officer, a Qualified Person as defined by NI 43-101 guidelines.

About Focus Graphite
Focus Graphite Inc. is an emerging mining development company with an objective to produce value added products initially for the lithium ion battery market from the Lac Knife graphite deposit located south west of Fermont, Québec. The Lac Knife project hosts a NI 43-101 Measured and Indicated Mineral Resource Estimate* of 9.6 million tonnes (432,000 tonnes Measured and 9,144,000 tonnes Indicated) grading 14.77% graphitic carbon (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. 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 producer based on 7.86 million tonnes (429,000 tonnes Proven and 7,428,000 tonnes Probable) of Proven and Probable Reserves grading 15.13 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 Lac Knife Spherical Graphite (“SPG”). 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 enterprise 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
Forward Looking Information

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.

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